

# Annual Financial Statements

for

## **Musina Local Municipality**

for the year ended 30 June: **2015**

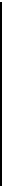
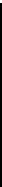
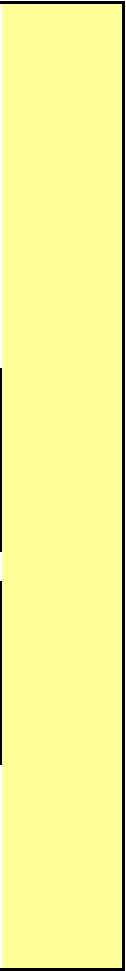
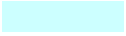
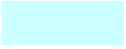
Province:

Limpopo

AFS rounding:

**R (i.e. only cents)**

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<b>Name of Chief Financial Officer:</b>	V Tshikundamalema
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**Musina Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**General information**

**Members of the Council**

**Appointment date**

M E Ramoyada	Mayor	July 2014
C M Phiri	Member	May 2011
S F L Ndlovu	Member of the Executive Committee	May 2011
C M Phiri	Member	May 2011
E S Shirilele	Member	May 2011
M F Mafela	Member	May 2011
S M Phiri	Member	May 2011
L B Ndou	Member	May 2011
G N Milanzi	Member	May 2011
S J Kaunda	Member	May 2011
P S Tlou	Member	May 2011
G Mavhungu	Member	March 2013
PAC	Member	November 2013

**Municipal Manager**

J Matshivha

**Chief Financial Officer**

V Tshikundamalema

**Grading of Local Authority**

03

**Auditors**

Auditor-General

**Bankers**

ABSA

**Musina Local**  
**ANNUAL FINANCIAL STATEMENT**  
for the year ended 31 March 2014

**General information (continued)**

**Registered Office:**

**Physical address:**

**Postal address:**

**Telephone number:**

**Fax number:**

**E-mail address:**



**I Municipality**  
**IAL STATEMENTS**

ed 30 June 2015

Musina Municipality

Civic Centre  
21 Irwin Street  
Musina  
0900

**Private bag X611**  
Musina  
0900

0155346100

0155342513

[vhutshilot@musina.gov.za](mailto:vhutshilot@musina.gov.za)



**Musina Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

**Approval of annual financial statements**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 10 of these annual financial statements and which I have signed on behalf of the Municipality in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and Councillors for loss of office, if any, as disclosed in note 26 of these annual financial statements are within the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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Municipal Manager:

*DATE*



1 to 61, in terms of  
municipality  
payments made to  
within the upper limits  
Officer Bearers Act

**Musina Local Mu**  
**ANNUAL FINANCIAL**  
for the year ended 3

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Statement of Financial Position

Statement of Financial Performance

Statement of Changes in Net Assets

Statement of comparison of budget and actual

Cash Flow Statement

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Appendix B: Analysis of Property, Plant and Equipment

Appendix C: Segmental Analysis of Property, Plant and Equipment

Appendix D: Segmental Statement of Financial Performance

Appendix E(1): Actual versus Budget (Revenue and Expenditure)

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10 June 2015

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**Musina Local Municipality**  
**STATEMENT OF FINANCIAL POSITION**  
**for the year ending 30 June 2017**

	<b>Note</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	1
Receivables from exchange transactions	2
Receivables from non-exchange transactions	3
Inventories	4
Investments	5
VAT receivable	12
<b>Non-current assets</b>	
Property, plant and equipment	6
Heritage assets	9
Intangible assets	7
Investment property	8
<b>Total assets</b>	
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Payables from exchange transactions	10
Consumer deposits	11
Payables from non exchange transactions	13
Employee Benefit & Provisions	14
Unspent conditional grants and receipts	15
Borrowings	16
Finance lease liability	17
<b>Non-current liabilities</b>	
Borrowings	16
Finance lease liability	17
Landfill Site	18
Post employment Medical Aid	43

Long service award	14
<b>Total liabilities</b>	
<b>Total net assets</b>	

---

ty POSITION June 2015		
	2015	2014
R		R
	1 523 711	1 557 516
	6 915 793	5 299 527
	89 395 671	62 158 316
	51 326 762	56 524 667
	10 936 963	10 348 797
	8 278 629	2 165 687
	275 279 023	265 698 963
	78 910	78 910
	93 056	193 348
	175 385 300	148 736 000
	<b>619 213 818</b>	<b>552 761 731</b>
	97 318 417	51 892 832
	4 324 679	4 196 517
	127 750 911	76 833 584
	3 145 307	2 926 448
	8 455 860	1 240 786
	5 641 742	6 124 976
	676 143	748 314
	22 240 731	26 908 457
	34 538	710 681
	7 948 393	4 724 837
	9 350 511	8 100 411

3 562 670	2 976 393
<b>290 449 902</b>	<b>187 384 236</b>
<b>328 763 916</b>	<b>365 377 495</b>

**Musina Local Municipality**  
**STATEMENT OF FINANCIAL STATEMENTS**  
**for the year ending 30 June 2017**

	Note
<b>Revenue</b>	
<b>Revenue from exchange transactions</b>	
Service charges	20
Rental of facilities and equipment	21
Interest earned - external investments	22
Interest earned - outstanding receivables	23
Licences and permits	
Other revenue	25
Provision Bad Debt Recovered	
<b>Revenue from non exchange transactions</b>	
Government grants and subsidies	24
Property rates	19
Fines	
Provision Bad Debt Recovered	
<b>Total</b>	
<b>Expenses</b>	
Employee related costs	26
Remuneration of councillors	27
Prov Bad debts	
Collection costs	
Depreciation and amortisation expense	28
Repairs and maintenance	29
Finance costs	30
Bulk purchases	31
Contracted services	32
Grants and subsidies paid	33
Operational Grant Expenditure	50
General expenses	34
<b>Total</b>	



Gain / (loss) on sale of assets	
(Impairment loss) / Reversal of impairment loss	35
Profit / (loss) on fair value adjustment	36

**Surplus / (deficit) for the period**

---

**City of**  
**PERFORMANCE**  
**June 2015**

2015 R	2014 R
90 495 146	84 276 915
452 677	373 314
771 849	953 545
1 754 820	1 731 329
4 437 228	2 735 492
10 572 372	6 854 081
-	2 686 927
54 496 745	57 794 445
12 286 627	11 342 602
3 540 850	3 364 000
-	2 819 714
<b>178 808 313</b>	<b>174 932 364</b>
89 855 233.69	77 846 039
3 724 335	3 727 669
5 017 721	-
13 793	26 739
27 052 096	22 442 736
10 802 984	12 389 018
3 117 486	3 003 493
52 651 004	44 211 670
5 734 784	5 431 606
3 327 661	2 964 975
3 801 000	3 540 000
38 017 933	30 402 899
<b>243 116 031</b>	<b>205 986 845</b>

-3 718 911	-76 114
4 763 749	-2 634 092
26 649 300	10 665 000

<b>-36 613 580</b>	<b>-23 099 687</b>
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**Musina Local Municipality**  
**STATEMENT OF CHANGES IN**  
**for the year ended 30 June 2015**

<b>for the year ended June 2012</b>	<b>Note</b>
Property incorrectly disclose	39

**for the year ended June 2013**

Revaluation Reserve	
Adjusting prior year Liability	
DBSA Loan	39
Reversal Accumulated depreciation	39
Correction of prior period error	39
Equitable share set off	39
Surplus / (deficit) for the period	

**for the year ended June 2014**

Prior period financial lease	39
Adjusting prior year Liability	39
Annual Bonus	39
Performance Bonus	39
Surplus / (deficit) for the period	

**Restated balance 2014**

Surplus / (deficit) for the period

**for the year ended June 2015**

ality <b>NET ASSETS</b> ne 2015	
<b>Accumulated Surplus/(Deficit)</b>	<b>Total: Net Assets</b>
<b>R</b>	<b>R</b>
<b>489 093 339</b>	<b>489 093 339</b>
-43 248 820	-43 248 820
<b>445 844 519</b>	<b>445 844 519</b>
78 910	78 910
-449 639	-449 639
-485 693	-485 693
929 521	929 521
1 445 742	1 445 742
-2 813 000	-2 813 000
-57 909 254	-57 909 254
<b>386 641 106</b>	<b>386 641 106</b>
404 299	404 299
8 725	8 725
2 024 680	2 024 680
-601 627	-601 627
-23 099 687	-23 099 687
<b>365 377 495</b>	<b>365 377 495</b>
-36 613 580	-36 613 580
<b>328 763 916</b>	<b>328 763 916</b>

## STATEMENT OF COMPARISON

Receipts	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget
----------	-----------------	--	-----------------------------

Property rates	12 869 634	1 168 921	14 038 555
Service charges	94 545 553	4 131 204	98 676 757
Investment revenue	150 000	48 305	198 305
Transfers recognised - operational	42 767 000	-	42 767 000
Other own revenue	36 898 534	16 655 410	53 553 944

<b>Total</b>	<b>187 230 721</b>	<b>22 003 840</b>	<b>209 234 561</b>
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Payments	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget
----------	-----------------	--	-----------------------------

Employee costs	81 279 114	5 173 039	86 452 153
Remuneration of councillors	5 408 344	-1 712 645	3 695 699
Debt impairment	500 000	-	500 000
Depreciation & asset impairment	19 947 300	5 000 000	24 947 300
Finance charges	910 882	824 695	1 735 577
Materials and bulk purchases	49 835 290	12 767 238	62 602 528
Transfers and grants	7 234 000	617 000	7 851 000
Contracted Services	5 495 000	6 663	5 501 663
General expenditure	26 561 091	4 327 850	30 888 941

<b>Total</b>	<b>197 171 021</b>	<b>27 003 840</b>	<b>224 174 861</b>
--------------	--------------------	-------------------	--------------------

<b>Surplus/(Deficit)</b>	<b>-9 940 300</b>	<b>-5 000 000</b>	<b>-14 940 300</b>
--------------------------	-------------------	-------------------	--------------------

\*Percentage movements of +/-10% or more are regarded as significant and are followed up.

The budget have been prepared on an accrual basis of accounting. The approved budget covers the physic

The changes between the final and approved budget was caused by consequences of reallocation within tl

#### Explanation of Variences

**Property rates-** Rezoning of properties by customer resulting in properties valued lower.

**Investment revenue-** This is a result of an existing investment earning more interest than management ant

**Other own revenue-** Most stands sold were ownership was not transferred to the buyer, The amount receiv

**General expenditure-**Management anticipated that transfer of ownership from sale of stands would have b

Local Municipality

ended 30 June 2015

**OF BUDGET AND ACTUAL AMOUNTS**

Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Variance
-	14 038 555	12 286 627	-1 751 928
-	98 676 757	90 495 146	-8 181 611
-	198 305	771 849	573 544
-	42 767 000	42 768 819	1 819
-	53 553 944	20 757 946	-32 795 998
-	<b>209 234 561</b>	<b>167 080 387</b>	<b>-42 154 174</b>

Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Variance
-1 845 089	84 607 064	89 855 234	5 248 170
28 635	3 724 334	3 724 335	1
744 355	1 244 355	5 017 721	3 773 366
2 104 796	27 052 096	27 052 096	0
1 381 909	3 117 486	3 117 486	0
387 081	62 989 609	63 453 988	464 379
-722 340	7 128 660	7 128 661	1
233 121	5 734 784	5 734 784	0
-2 312 468	28 576 473	10 337 589	-18 238 884
-	<b>224 174 861</b>	<b>215 421 893</b>	<b>-8 752 968</b>
	<b>-14 940 300</b>	<b>-48 341 506</b>	

al period from 1 July 2014 to June 2015

he budget

icipated

ved was recognised as a liability rather than revenue

een transfered to the buyer, as a result most stands were not expensed at year end

<b>Actual Outcome as % of Final Budget</b>
--

88%
92%
389%
100%
39%

<b>Actual Outcome as % of Final Budget</b>
--

106%
100%
403%
100%
100%
101%
100%
100%
36%



**Musina Local Municipality  
CASH FLOW STATEMENT  
for the year ended 30 June 2015**

Note

2015  
R

**OPERATING ACTIVITIES**

**Receipts**

**173 471 447**

Sales of goods and services  
Grants  
Interest received  
Other receipts

80 057 575
61 711 819
2 419 284
29 282 769

**Payments**

**147 288 923**

Employee costs  
Suppliers  
Interest paid  
Other payments

94 195 925
46 634 058
3 117 486
3 341 454

**Net**

**26 182 524**

**INVESTING ACTIVITIES**

Purchase of fixed assets

-20 445 217
-------------

**Net**

**-20 445 217**

**FINANCING ACTIVITIES**

Increase in loan term loans-Absa  
Decrease in long term Loans  
Increase/Decrease in consumer depo

-
-5 899 274
128 163

**Net**

**-5 771 112**

**Net increase / (decrease)**

-33 805

**Net at beginning of period**

1 557 515

**Net at end of period**

37

**1 523 711**



2014  
R

**190 090 865**

131 342 874
57 794 445
953 545
-

**180 751 245**

81 573 708
96 909 393
2 268 144
-

---

**9 339 619**

---

-26 262 010
-------------

---

**-26 262 010**

---

20 000 000
-10 365 069
-58 316

---

**9 576 615**

---

-7 345 776

8 903 291

---

**1 557 515**

---



# **1 BASIS C**

**1.1**

**1.2**

**1.3**

**1.4**

**1.5**

## **2 PROPEI**

### **2.1**

### **2.2**

### **2.3**



**2.4**

**3**

**3.1**

**3.2**

**3.3**





## **4 INTANG**

### **4.1**

### **4.2**

**4.3**

**4.4**

**5 INVESTI**

**5.1**

**5.2**

**5.3**



**6     INVENTI**

**6.1**

**6.2**

**7     FINANC**

**7.1**

**7.2**

**7.2.1**



**7.2.2**

**7.2.3**

**7.2.4**

**7.3**

**7.4**

**7.5**

**7.6**



**9 FRUITLI**

**10 UNAUTI**

**11 PROVIS**

**12 LEASES**

**12.1**



## 13 REVENI

### 13.1





14   BORRO'

15   RETIREI

16   EMPLO'



## **17    IMPAIRI**

### **17.1**

### **17.2**





18 COMMIT

19 RELATE

20 BUDGE

21 SIGNIFI

22 PROVIS



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**30 JUNE 2015**

**OF ACCOUNTING**

**BASIS OF PRESENTATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

**PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

**GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

**COMPARATIVE INFORMATION**

Budget information in accordance with GRAP 1 and 24, has been provided as a note to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

**STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

No standards affecting the municipality were identified

## **PROPERTY, PLANT AND EQUIPMENT**

### **INITIAL RECOGNITION**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

### **SUBSEQUENT MEASUREMENT - COST MODEL**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

### **DEPRECIATION**

Depreciation is calculated at historical cost, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

#### **Infrastructure**

	<b><u>Years</u></b>
Infrastructure Assets	15-40
Roads, pavement, double seals, road signs and Road markings	5
Street names, signs and parking meters	20
Car parks, bus terminals and taxi ranks	

Electricity - Mass lights	15
Electricity - Transformers	15
Electricity - Street lights	15
Housing	30
Street lighting	25
Refuse sites	30

Community Assets	
Parks and gardens	30
Sport fields	30
Community halls	30
Libraries	30
Recreation facilities	30
Clinics	30
Fire services	30
Cemeteries	30
Other Assets	
Motor vehicles	5
Plant and equipment	5
Security measures	3
Buildings	30
IT equipment	3
Office equipment	5

Land is not depreciated as it is regarded as having an infinite life.

The useful life of an item of property plant and equipment is reviewed periodically and, if expectations are significantly different from previous estimates, the depreciation charge from the current and future periods gets adjusted. During the year items of property, plant and equipment useful life was assessed and based on the assessment there were no changes to prior year estimates.

#### **DERECOGNITION**

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

#### **HERITAGE ASSETS**

##### ***INITIAL RECOGNITION***

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations

At initial recognition, the municipality measurer's heritage assets at cost once it meets the definition of heritage assets. However, where heritage was acquired through a non-exchange transaction (i.e. where it acquired the heritage assets for no or a nominal value), its cost is its fair value as at the date of acquisition.

##### **SUBSEQUENT MEASUREMENT – REVALUATION MODEL**

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

#### **Derecognition**

When the heritage assets are permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognized.



## **IBLE ASSETS**

### **INITIAL RECOGNITION**

An intangible asset is an identifiable non-monetary asset without physical substance. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

After initial recognition, an intangible asset is carried at its cost less any accumulated impairment losses and amortisation. Amortisation is charged on a straight-line basis over their useful life which is estimated to be between 3 and 5 years. The useful life of an intangible asset is the period over which that asset is expected to be available for use of by the municipality. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, but are tested for impairment annually and impaired if necessary.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The estimated useful life and amortisation methods are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are recognised at cost. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire the asset at the time of its acquisition or construction. Only cost incurred on computer software and websites that meet the definition of an intangible asset are recognised as permitted in terms of Directive 4. All other cost incurred on intangible assets during the exemption period has been expensed.

### **SUBSEQUENT MEASUREMENT - COST MODEL**

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

## **AMORTISATION AND IMPAIRMENT**

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

3-5

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

## **DERECOGNITION**

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **MENT PROPERTY**

### **INITIAL RECOGNITION**

Investment property includes property held to earn income, or capital appreciation rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

An asset is derecognised when it is disposed off or when no future economic benefits or service potential is expected. Any gain or loss is recognised in surplus or deficit,.

### **SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL**

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

### **DERECOGNITION**

When the investment property is permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognised.



## **ORIES**

### **INITIAL RECOGNITION**

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

### **SUBSEQUENT MEASUREMENT**

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Asset held for sale are measured at cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method

## **IAL INSTRUMENTS**

### **INITIAL RECOGNITION**

Financial assets and liabilities are recognised on the municipality's statement of financial position when the municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at cost.

### **SUBSEQUENT MEASUREMENT**

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with GRAP 104.

## **INVESTMENTS**

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

## **TRADE AND OTHER RECEIVABLES (EXCHANGE AND NON-EXCHANGE)**

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

## **TRADE PAYABLES AND BORROWINGS**

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

## **CASH AND CASH EQUIVALENTS**

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

## **DERECOGNITION**

A financial asset or the specifically identified cash flows of an asset is derecognised when:

- a) The cash-flows from the asset expire, are settled or waived;
- b) Significant risks and rewards are transferred to another party; or
- c) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

## **GAINS AND LOSSES**

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

#### **OFFSETTING**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **IMPAIRMENTS**

All financial assets measured at amortised cost, or cost are subject to an impairment review. The Economic Entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### For financial assets held at amortised cost:

The Economic Entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If an entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it will include the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date on which the impairment is reversed. The amount of the reversal shall be recognised in surplus or deficit.

##### For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

#### **LAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **NESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land). Provisions include, Provision for rehabilitation of landfill sites, Long service, Medical aid and provision for leave.

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

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#### **OPERATING AND FINANCE LEASE**



Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

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## **REVENUE FROM EXCHANGE TRANSACTIONS**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on 3 month average usage

Service charges relating to refuse removal are recognised on a monthly basis in advance by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Interest revenue is recognised on a time proportion basis

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale and where prepaid electricity is not fully consumed or utilised at the end of the reporting period, revenue will be recognised to the extent that the prepaid electricity has been consumed

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the group.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

## **REVENUE FROM NON-EXCHANGE TRANSACTIONS**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

#### Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

## **WING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

## **MENT BENEFITS**

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund
- National fund for Municipal workers

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

### **a) Defined contribution plans**

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

## **YEE BENEFITS**

Remuneration to employees is recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs.

The costs of all short-term employee benefits, such as leave pay, are recognised in the period the employee renders the related service.

#### Leave pay accrual

The liability is based on the total amount of leave days due to the employees on the reporting date and on their total remuneration package.

#### Provision for Performance Bonuses

A provision in respect of the liability relating to the anticipated costs of 13th cheque bonuses payable to all employees is maintained. Where performance appraisals have not yet been performed at year-end, a performance bonus provision is raised based on the employment contract stipulations and previous performance bonus payment trends.

#### Long service awards

Employees, who have completed 10 years' unbroken service, are entitled to receive a once-off cash award. The cash award is included in the employee's salary in the month of the service anniversary.

### **MENT OF ASSETS**

#### **IMPAIRMENT OF ASSETS - NON - CASH GENERATING ASSETS**

Those assets held by the Municipality without an intention of generating a commercial return from such asset. The Municipality assesses at each reporting date whether any indications exist that an asset may be impaired. When such an indication exists, the Municipality estimates the recoverable service amount of the asset.

The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined by using either the depreciated replacement cost, restoration cost or service unit approach, depending on the availability of data and the nature of the impairment. If the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in carrying amount of an asset due to the reversal of impairment loss should not exceed what the asset's original carrying would have been if no impairment loss were recognised.

#### **IMPAIRMENT OF ASSETS - CASH GENERATING ASSETS**

Those assets held by the Municipality for the purpose of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated Municipality, it generates a commercial return.

The Municipality assesses at each reporting date whether there is any indication that an asset or cash-generating unit to which an asset belongs to may be impaired. When such an indication exists, the Municipality estimates the recoverable amount of the asset. The recoverable amount is the higher of the cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined as the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The future expected cash flows are discounted at a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. If the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.



The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in the carrying amount of an asset due to the reversal of an impairment loss should not exceed what the carrying amount would have been if no impairment loss had been recognised.

## **COMMITMENTS**

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

## **RELATED PARTIES**

The Municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national/provincial/local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that member of management in their dealings with the Municipality.

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another Municipality or person are disclosed.

## **FINANCIAL INFORMATION**

Municipality is typically subjected to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar measures. General purpose financial reporting by municipalities must provide information on whether resources were obtained and used in accordance with the legally adopted budget. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements. Percentage movements of +/-10% or more are regarded as significant and are followed up.

## **CRITICAL JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of these financial statements in conformity with GRAP required the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements where applicable.

## **DISCLOSURE FOR LANDFILL SITE**

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the net present value of cost. The cost factor as determined, have been applied and projected at an inflation rate of 11.50 %, and discounted to the present value at the average borrowing cost of 10%

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	2015 R	2014 R
<b>1 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	1 523 711	1 557 516
<b>Total</b>	<b>1 523 711</b>	<b>1 557 516</b>

The Municipality has the following bank accounts: -

**Current Account (Primary Bank Account)**

ABSA Bank Limited - Musina Branch: Account Number 2050550179

Cash book balance at beginning of year	1 360 861	1 772 792
Cash book balance at end of year	772 599	1 360 861
Bank statement balance at beginning of year	1 366 939	1 781 276
Bank statement balance at end of year	793 049	1 366 939

**Current Account (Traffic Account)**

ABSA Bank Limited - Musina Branch: Account Number 4074881456

Cash book balance at beginning of year	196 655	4 446
Cash book balance at end of year	751 112	196 655
Bank statement balance at beginning of year	196 655	4 446
Bank statement balance at end of year	751 112	196 655
<b>Total</b>	<b>1 523 711</b>	<b>1 557 516</b>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**2015**  
**R**

**2014**  
**R**

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	2015 R	2014 R
<b>RECEIVABLES FROM EXCHANGE 2 TRANSACTIONS</b>	<b>Gross Balances</b>	<b>Provision for Doubtful Debts</b>
Electricity	3 458 417	-1 241 888
Other	1 258 060	-404 835
Refuse	4 383 155	-537 116
<b>for the year ending 30 June 2015</b>	<b>9 099 633</b>	<b>-2 183 840</b>
Electricity	2 909 960	-1 073 951
Other	1 765 427	-868 391
Refuse	4 760 729	-2 194 248
<b>for the year ending 30 June 2014</b>	<b>9 436 117</b>	<b>-4 136 590</b>

**Summary of Debtors by Customer**  
**2.1 Classification**

	Consumers	Industrial / Commercial
<b>as at 30 June 2015</b>		
Current (0 – 30 days)	720 741	190 578
31 - 60 Days	283 568	129 887
61 - 90 Days	221 611	34 689
91 - 120 Days	224 359	32 003
121 - 365 Days	598 575	68 829
+ 365 Days	4 805 872	553 900
Sub-total	<b>6 854 726</b>	<b>1 009 885</b>
Less: Provision for doubtful debts	-2 183 840	
<b>Total debtors by customer classification</b>	<b>4 670 887</b>	<b>1 009 885</b>
Total		

<p style="text-align: center;"><b>Musina Local Municipality</b>  <b>NOTES TO THE FINANCIAL STATEMENTS</b>  for the year ended 30 June 2015</p>
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	2015 R	2014 R
<b><u>Summary of Debtors by Customer Classification</u></b>	<b>Consumers</b>	<b>Industrial / Commercial</b>
<b>as at 30 June 2014</b>		
Current (0 – 30 days)	1 023 057	363 857
31 - 60 Days	617 295	85 940
61 - 90 Days	397 762	22 492
91 - 120 Days	404 980	45 307
121 - 365 Days	782 110	107 457
+ 365 Days	4 334 335	53 893
Sub-total	<b>7 559 539</b>	<b>678 946</b>
Less: Provision for doubtful debts	-4 136 590	
<b>Total debtors by customer classification</b>	<b>3 422 949</b>	<b>678 946</b>
<b>Total</b>		

**2.2 Reconciliation of the doubtful debt provision**

Balance at beginning of the year	4 136 590	6 930 655
Contribution to provision	-1 543 731	-2 686 926
Doubtful debts written off against provision	-409 019	-107 138
<b>Balance at end of year</b>	<b>2 183 840</b>	<b>4 136 590</b>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	2015 R	2014 R
<b>3 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		

	Gross Balances	Provision for Doubtful Debts
<b>as at 30 June 2015</b>	<b>103 146 458</b>	<b>-13 750 786</b>
Assessment Rates	15 831 723	-9 977 421
Traffic Fines	5 390 522	-3 773 365
Sundry Debtors	515 960	-
Unmetered Consumption	1 049 392	-
Cut off revenue	3 456 318	-
Vhembe District	76 902 542	-

<b>as at 30 June 2014</b>	<b>69 371 425</b>	<b>-7 213 108</b>
Assessment Rates	13 428 097	-7 213 108
Traffic Fines	3 102 958	-
Sundry Debtors	274 936	-
Unmetered Consumption	865 037	-
Cut off revenue	4 536 852	-
Vhembe District	47 163 545	-

\*\*Other receivables have been assessed for impairment at year end

<u>Summary of Debtors by Customer</u>		
<b>3.1 <u>Classification</u></b>	<b>Consumers</b>	<b>Industrial / Commercial</b>

**as at 30 June 2015**

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2015

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Current (0 – 30 days)	394 151	135 659
31 - 60 Days	263 050	95 041
61 - 90 Days	245 411	90 056
91 - 120 Days	522 206	89 237
121 - 365 Days	607 374	282 779
+ 365 Days	7 896 386	4 318 636
Sub-total	<b>9 928 577</b>	<b>5 011 408</b>
Less: Provision for doubtful debts	-6 078 200	-3 899 221
<b>Total debtors by customer classification</b>	<b>3 850 377</b>	<b>1 112 187</b>
Total		

**Summary of Debtors by Customer Classification**

**Consumers                      Industrial /  
Commercial**

**as at 30 June 2014**

Current (0 – 30 days)	378 769	499 516
31 - 60 Days	251 648	180 981
61 - 90 Days	234 497	112 548
91 - 120 Days	511 485	134 544
121 - 365 Days	1 575 859	390 236
+ 365 Days	4 572 692	3 387 690
Sub-total	<b>7 524 952</b>	<b>4 705 514</b>
Less: Provision for doubtful debts	-7 213 108	
	<b>311 844</b>	<b>4 705 514</b>
Total		



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

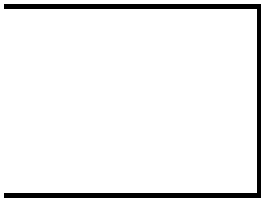
	2015 R	2014 R
<b>3.2 Reconciliation of the doubtful debt provision</b>		
Balance at beginning of the year	7 213 108	10 042 985
Contribution to provision	2 788 087	-2 819 715
Doubtful debts written off against provision	-23 773	-10 163
Balance at end of year	<b>9 977 421</b>	<b>7 213 108</b>

**4 INVENTORIES**

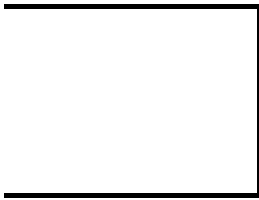
<b>Closing balance of inventories:</b>	<b>51 326 762</b>	<b>56 524 667</b>
Consumable stores	1 616 761	2 084 667
Stands held for resale	49 710 000	54 440 000

**5 INVESTMENTS**

Fixed Deposits	10 936 963	10 348 797
	<b>10 936 963</b>	<b>10 348 797</b>
Three (3) Months recurring investment made with ABSA		







### Net Balance

2 216 530
853 225
3 846 039
<hr/>
<b>6 915 793</b>
<hr/>

1 836 009
897 036
2 566 482
<hr/>
<b>5 299 527</b>
<hr/>

### National and Provincial Government

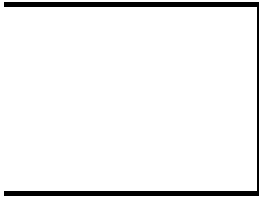
75 128
81 220
79 005
68 892
252 520
678 257
<hr/>
<b>1 235 021</b>

<hr/>
<b>1 235 021</b>
<hr/>
<b>6 915 793</b>
<hr/>



**National and  
Provincial  
Government**

151 385
141 359
124 965
135 101
451 434
193 388
<hr/>
<b>1 197 632</b>
<hr/>
<b>1 197 632</b>
<hr/>
<b>5 299 527</b>
<hr/>



### **Net Balance**

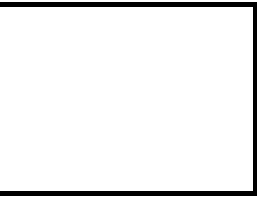
**89 395 671**

5 854 301
1 617 157
515 960
1 049 392
3 456 318
76 902 542

**62 158 317**

6 214 989
3 102 958
274 936
865 037
4 536 852
47 163 545

**National and  
Provincial  
Government**



16 659
16 362
16 332
14 734
66 404
761 247
<hr/>
<b>891 738</b>
<hr/>
<b>891 738</b>
<hr/>
<b>5 854 302</b>
<hr/>
<hr/>

**National and  
Provincial  
Government**

151 385
141 359
124 965
135 101
451 434
193 387
<hr/>
<b>1 197 631</b>
<hr/>
<b>1 197 631</b>
<hr/>
<b>6 214 989</b>
<hr/>
<hr/>





NO

## 6 PROPERTY, PLANT AND EQUIPMENT

6.1 Reconciliation of Carrying Value		Land
		R
<b>for the year ended June 2014</b>		<b>28 707 202</b>
Cost/Revaluation		28 707 202
Accumulated depreciation and impairment losses		-
Acquisitions		-
Capital under Construction		-
Depreciation		-
Carrying value of disposals		-
Cost/Revaluation		-
Accumulated depreciation and impairment losses		-
Impairment loss/Reversal of impairment loss		-
<b>for the year ended June 2015</b>		<b>28 707 202</b>
Cost/Revaluation		28 707 202
Accumulated depreciation and impairment losses		-

\*\* Other Assets consists of Equipment, Furniture, and Vehicles. Details of th

Refer to Appendix B for more detail on property, plant and equipment

NO

	Land
	R
<b>6.2 Reconciliation of Carrying Value</b>	
<b>for the year ended June 2013</b>	<b>28 707 202</b>
Cost/Revaluation	28 707 202
Accumulated depreciation and impairment losses	-
Acquisitions	-
Capital under Construction	-
Depreciation	-
Carrying value of disposals	-
Cost/Revaluation	-
Accumulated depreciation and impairment losses	-
Impairment loss/Reversal of impairment loss	-
Transfers	-
*Other movements	-
<b>for the year ended June 2014</b>	<b>28 707 202</b>
Cost/Revaluation	28 707 202
Accumulated depreciation and impairment losses	-

\*\* Other Assets consists of Equipment, Furniture, and Vehicles. Details of the  
Refer to Appendix B for more detail on property, plant and equipment

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**Musina Local Municipality**  
**TES TO THE FINANANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

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<b>Buildings</b>	<b>Infrastructure</b>	<b>Community</b>	<b>Other Assets**</b>
<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>40 726 021</b>	<b>151 637 517</b>	<b>33 052 896</b>	<b>10 182 338</b>
50 225 532	287 120 816	35 006 797	16 558 599
-9 499 511	-135 483 299	-1 953 901	-6 376 261
3 004 947	74 461	-	4 214 236
1 202 026	25 620 895	1 370 458	-
-1 677 165	-20 657 273	-1 166 893	-2 936 749
-	<b>-3 486 237</b>	-	<b>-226 639</b>
-	-5 355 172	-	-992 814
-	1 868 934	-	766 176
-	4 763 749	-	-
<b>43 255 830</b>	<b>157 953 110</b>	<b>33 256 552</b>	<b>11 233 189</b>
54 432 506	307 461 000	36 377 255	19 780 023
-11 176 677	-149 507 890	-3 120 704	-8 546 833

e sub-categories is indicated in Appendix B

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**Musina Local Municipality**  
**TES TO THE FINANANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

<b>Buildings</b>	<b>Infrastructure</b>	<b>Community</b>	<b>Other Assets</b>
<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>33 298 820</b>	<b>158 474 117</b>	<b>25 303 401</b>	<b>3 258 452</b>
41 342 285	274 089 670	26 377 535	9 814 717
-8 043 466	-115 615 553	-1 074 134	-6 556 264
6 426 959	5 136 335	8 629 262	4 565 290
2 456 289	7 894 811	-	-
-1 456 046	-17 366 661	-879 757	-2 117 940
-	-	-	<b>-76 114</b>
-	-	-	-4 466 887
-	-	-	4 390 773
-	-2 634 092	-	-
-	-	-	6 645 479
-	-	-	-4 642 661
<b>40 726 021</b>	<b>151 637 517</b>	<b>33 052 896</b>	<b>10 182 338</b>
50 225 532	287 120 816	35 006 797	16 558 599
-9 499 511	-135 483 299	-1 953 901	-6 376 261

↗ sub-categories is indicated in Appendix B

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<b>Finance lease assets</b>	<b>Total</b>
<b>R</b>	<b>R</b>
<b>1 392 989</b>	<b>265 698 963</b>
2 139 961	419 758 908
-746 973	-154 059 945
-	7 293 644
-	28 193 379
-513 814	-26 951 894
<b>-6 035</b>	<b>-3 718 911</b>
-24 031	-6 372 017
17 996	2 653 105
-	4 763 749
<b>873 140</b>	<b>275 279 023</b>
2 115 931	448 873 917
-1 242 791	-173 594 894

Finance lease	Total
assets	
R	R
<b>3 799 097</b>	<b>252 920 000</b>
8 684 698	389 095 017
-4 885 600	-136 175 017
100 743	24 858 589
-	10 351 100
-504 033	-22 324 437
-	<b>-76 114</b>
-	-4 466 887
-	4 390 773
-	-2 634 092
-6 645 479	-
4 642 661	-
<b>1 392 989</b>	<b>265 698 963</b>
2 139 961	419 758 908
-746 973	-154 059 945

## **7 INTANGIBLE ASSETS**

### **Reconciliation of carrying value**

#### **for the year ended 30 June 2014**

##### **OPENING BALANCE**

Cost

Accumulated amortisation and impairment losses

Acquisitions

Amortisation

Carrying value of disposals

Cost

Accumulated amortisation

#### **for the year ended 30 June 2015**

##### **CLOSING BALANCE**

Cost

Accumulated amortisation and impairment losses

## **8 INVESTMENT PROPERTY**

### **Reconciliation of fair value**

#### **OPENING BALANCE**

Cost

Fair value adjustment

Carrying value of disposals

Fair value adjustment

#### **CLOSING BALANCE**

Cost

Investment property includes property held to earn income and for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

**Musina Local Municipali**  
**NOTES TO THE FINANCIAL ST**  
**for the year ended 30 June**

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The fair value of the entity's investment property at 30 June 2015 has been arrived at on the basis of a valuation carried out at that date by Eli Stroh valuers, independent valuers that are not related to the entity. Eli Stroh Valuers are members of the South African Institute of Valuers, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to South Africa's Valuation standards, was arrived at by reference to market evidence of transaction prices for similar properties.



## **9 HERITAGE ASSETS**

### **OPENING BALANCE**

Cost

Fair value adjustment

### **CLOSING BALANCE**

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

All heritage asset were acquired through a non-exchange transaction, as a result the heritage assets costs were measured at its fair value. The heritage assets were fair valued at year end by an independent Valuer -Eli Stroh Pty Ltd, using methods and assumptions consistent with Grap 103.

No indications of changes in market conditions and fair values of heritage assets were identified by the independent values during the current financial year

Heritage assets were valued by the firm Eli Stroh Pty Ltd on 30 June 201

ity  
ATEMENTS  
2015

2015

2014

193 348	288 801
458 436	435 590
-265 088	-146 789

-	22 846
-100 292	(118 299)

-	-
-157 560	-
157 560	-

<b>93 056</b>	<b>193 348</b>
300 876	458 436
-207 820	-265 088

2015

2014

<b>148 736 000</b>	<b>152 181 000</b>
148 736 000	152 181 000

26 649 300	10 665 000
------------	------------

-	<b>-14 110 000</b>
-	-14 110 000

<b>175 385 300</b>	<b>148 736 000</b>
175 385 300	148 736 000

ity  
STATEMENTS  
2015

---

ity

STATEMENTS

2015

2015	2014
78 910	78 910
78 910	78 910
-	-
78 910	78 910

**10 PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade creditors  
Payments received in advance  
Retentions  
Creditors - provisions  
Other Revenue  
Cemetery Upgrade- Vhembe Grant  
Sale of stands  
Solly Noor  
Provision for leave  
**Total**

The fair value of trade and other payables approximates their carrying amounts.

**11 CONSUMER DEPOSITS**

Electricity/Refuse

**Total**

**Guarantees held in lieu of Electricity**

**12 VAT RECEIVABLE**

VAT receivable

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

**13 PAYABLES FROM NON EXCHANGE TRANSACTIONS**

Vhembe  
Department Transport

**14 EMPLOYEE BENEFITS**

Annual Bonus  
Performance Bonus  
Provision for long-service awards-Current Portion  
Provision for long-service awards- Non-Current Portion

**LONG SERVICE AWARDS**

Long service award projections/provisions is an actuarial assumption. This is the total value of the long service awards that were expected to be awarded to eligible employees over the year based on the data at the previous valuation date.

Provision for long-service awards:

**Balance at the beginning of year**

Contributions to provision

**Balance at the end of year**

*Reconciling and projecting the unfunded accrued liability*

**Unfunded Accrued Liability**

Opening balance

Current-service cost

Interest cost

**Actuarial (Gain)/Loss**

**Expected employer benefit vesting**

Employer prefunding contributions

**Closing Balance**

**Projected accrued liability**

*Net liability to reflect in the balance sheet*

Opening balance

Current-service cost

Interest cost

Actuarial (Gain)/loss recognised in P&L

**Net Prepaid Cost Recognised in P&L**

Actual employer benefits payments

**Closing Balance**

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service.

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Long service Awards for levels of past service**

<b>Completed service(In years</b>	<b>Long service Bonus (% of annual Salary)</b>	<b>Description</b>
10	4.0%	10 /250* annual salary
15	8.0%	20 /250* annual salary
20,25,30,35,40,45	12.0%	30 /250* annual salary

**Key financial assumptions**

<b>Assumption</b>	<b>Value p.a</b>
Discount rate	8.17%
General Salary inflation (Long-term)	7.15%
Net effective discount rate	0.94%

The salaries used in the valuation include an assumed increase on 1 July 2015 of 7%. The next salary increase was assumed to take place on 1 July 2016

**15 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

MIG Grants

**Total**

See Note 24.2 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.

**16 BORROWINGS**

DBSA  
ABSA

DBSA  
ABSA

**Total**

Refer to Appendix A for more detail on borrowings.

**17 FINANCE LEASE LIABILITY**

**for the year ended June 2015**

**Amounts payable under finance leases**

**Minimum lease  
payment  
R**

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

Within one year	717 174
Within two to five years	34 948
	<u>752 122</u>
Amount due for settlement within 12 months	

The entity entered into a finance lease with ABSA for the finance of a vehicle purchased, over a term of 3 years. The average effective borrowing rate on the vehicle finance is 8% per annum and interest is charged on a monthly basis. The vehicle finance lease agreement does not provide for contingent lease payments in the event of defaults or breaches and the terms and conditions were renegotiated during the reporting period.

The entity has a lease agreement for computers, the average lease term is 3 years. The average borrowing rate of 13,5%, which is fixed at contract date. No contingent rent agreement is provided for during the lease agreement, and there were no breaches or default during the year.

Obligations under finance leases are secured by the lessor retaining ownership of the leased asset as term.

**for the year ended June 2014**

**Amounts payable under finance leases**

**Minimum lease  
payment  
R**

Within one year	886 019
Within two to five years	752 122
	<u>1 638 141</u>
Amount due for settlement within 12 months	

The average lease term is 5 years and the average effective borrowing rate is 8.50%. Interest rates are fixed at the contract date. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.



## 18 LANDFILL SITE

Provision

### **Total**

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal.

The movement in the non-current provision is reconciled as follows: -

Provision for rehabilitation of landfill sites:

**Balance at the beginning of year**

Contributions to provision

**Balance at the end of year**

## 19 PROPERTY RATES

### **Actual**

Residential

Commercial

Light Industries

Farms

Public Infrastructure

Government

Residential contravening

Private schools

Special

Residential /Sectional

Residential vacant

### **Total**

### **Valuations**

Farm Prop - Agricultural

Residential 1

Residential 4

Business 1

Business 2

Industrial 1

Industrial 2

Municipal Properties

Private Sport/Social Clubs

Institutional

---

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

---

Industrial Properties  
Right of way  
Residential Properties  
Commercial  
Farm Prop - Business & Commercial  
Farm Prop - Other  
Farm Prop - Residential  
Business And Commercial  
State Owned - Agricultural  
State Owned - Commercial  
State Owned - Public Benefit  
State Owned - Residential  
State Owned - Schools  
Land Assistance Act  
Municipal - Commercial/Buss  
National Monuments  
Part Remainder  
Public Benefit  
Public Service Infrastructure  
Private Schools  
Residential - Inconsistent Use  
Residential - Sectional Title  
Residential Vacant  
Eskom Servitude  
National Roads  
Special  
**Total Property Valuations**

Valuations on land and buildings are performed every four years. The last valuation was done by Eli Stroh Pty Ltd and come into effect on 1 July 2012. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.

Rates are levied on an annual basis on state and De Beers property owners, and other rates are levied monthly. Interest at prime + 1% per annum are levied on outstanding rates.

**20 SERVICE CHARGES**

Sale of electricity  
Refuse removal  
**Total**

**21 RENTAL OF FACILITIES AND EQUIPMENT**

Rental of facilities  
  
**Total**

**22 INTEREST EARNED - EXTERNAL INVESTMENTS**

Bank  
External investments  
**Total**

**23 INTEREST EARNED - OUTSTANDING RECEIVABLES**

Debtors  
  
**Total**

**24 GOVERNMENT GRANTS AND SUBSIDIES**

Equitable share  
MIG Grant  
Unspent Mig Roll over  
FMG  
MSIG  
EPWP  
**Total**

**24.1 Equitable Share**

**Government Grants and Subsidies**

Current year receipts  
Conditions met - transferred to revenue  
Conditions still to be met - remain liabilities

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy that was approved by council (Tariff List).

#### **24.2 FMG**

Balance unspent at beginning of year  
Current year receipts  
Conditions met - transferred to revenue  
Conditions still to be met - remain liabilities

This grant is used to fund interns stipend and training for finance staff.

#### **24.3 MSIG**

Balance unspent at beginning of year  
Current year receipts  
Conditions met - transferred to revenue  
Conditions still to be met - remain liabilities

This Grant is used to fund internet sales and website design.

#### **24.4 EPWP**

Balance unspent at beginning of year  
Current year receipts  
Conditions met - transferred to revenue  
Conditions still to be met - remain liabilities

Expanded public works programs aims to reduce poverty through the alleviation and reduction of unemployment. This grant is used to fund EPWP programmes

#### **24.5 MIG Grant**

**Balance unspent at beginning of year**  
Current year receipts  
Conditions met - transferred to revenue  
**Conditions still to be met - remain liabilities (see note 15.1)**

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

This grant is used for infrastructure Projects

**25 OTHER REVENUE, PUBLIC CONTRIBUTIONS AND DONATIONS**

Other revenue  
Sale of Stands  
**Total**

## **26 EMPLOYEE RELATED COSTS**

Salaries and Wages  
Contributions for UIF, pensions and medical aids  
Travel, motor car, accommodation, subsistence and other allowances  
Housing benefits and allowances  
Overtime payments  
Bonuses  
Long-service awards  
Other employee related costs  
Provision for leave  
Provision Pension benefit  
Annual Bonus - Prov  
**Total**

There were no advances to employees

### **Remuneration of the Municipal Manager**

Annual Remuneration  
Bonuses  
Car allowance  
Subsistence and travelling expense  
**Total**

### **Remuneration of the Chief Finance Officer**

Annual Remuneration  
Bonuses  
Car allowance  
Acting  
Subsistence and travelling expense  
**Total**

### **Remuneration of Technical director**

Annual Remuneration  
Bonuses  
Car allowance  
Acting  
Contributions to UIF, Medical and Pension Funds  
Subsistence and travelling expense  
**Total**

### **Remuneration of corporate services Director**

Annual Remuneration  
Bonuses  
Car allowance  
Acting

---

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

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Contributions to UIF, Medical and Pension Funds  
Subsistence and travelling expense  
**Total**

**Remuneration of Community Services Director**

Annual Remuneration  
Bonuses  
Car allowance  
Acting  
Contributions to UIF, Medical and Pension Funds  
Subsistence and travelling expense  
**Total**

**Remuneration of development and planning Director**

Annual Remuneration  
Bonuses  
Car allowance  
Acting  
Contributions to UIF, Medical and Pension Funds  
Subsistence and travelling expense  
**Total**

**27 REMUNERATION OF COUNCILLORS**

Executive Mayor  
Chief Whip  
Councillors  
Councillors' pension and medical aid contributions  
Councillors' allowances  
**Total**

The following subsistence and travelling was paid  
Mayor  
Chief WHIP  
Councillors

The Mayor and Chief Whip are full time.  
Each is provided with an office and  
secretarial support at the cost of  
Council. The Mayor has use of a Council  
owned vehicle and driver for official  
duties. Disclosure in terms of the MFMA,

**28 DEPRECIATION AND AMORTISATION EXPENSE**

Property, plant and equipment  
Intangible assets  
Investment property carried at cost  
Biological assets carried at cost  
**Total**

**29 REPAIRS AND MAINTENANCE**

**Repairs and maintenance**

During the year the Municipality made major repairs on existing roads and electrical distribution networks . The project was initially budget as capital project. The cost incurred is now treated as expense because it does not meet the criteria of capitalisation.

**30 FINANCE COSTS**

Borrowings

**Total**

**31 BULK PURCHASES**

Electricity

**Total**

Electricity losses

**32 CONTRACTED SERVICES**

*Security*

**Total**

**33 GRANTS AND SUBSIDIES PAID**

Equitable Share [indigents]

**Total**

*Disclosure in terms of the MFMA,2003*



**34 GENERAL EXPENSES**

Advertising  
Admin fees  
Audit fees  
Bank charges  
Bursaries  
Cleaning  
Conferences and delegations  
Connection charges  
Consulting fees  
Consumables  
Debt collection commission  
Departmental consumption  
Entertainment  
Financial management grant  
Fuel and oil  
Insurance  
Legal expenses  
Levies paid  
Licence fees - vehicles  
Licence fees - computers  
Membership fees  
Parking  
Postage  
Printing and stationery  
Rental of buildings  
Computer expenses  
Skills development levies  
Telephone cost  
Training  
Travel and subsistence  
Uniforms & overalls  
Valuation costs  
Community liason  
Musina Annual Show  
Mayor excellence awards  
Minor assets  
Paupers Burial  
Public Relations  
Newspaper  
Interest late payment  
Medical Examination  
Township Establishment  
Departmental vehicle  
LED Fund  
Branding & Promotion  
Road safety  
IDP Workshops  
Transaction Fees  
Enviromental

<p><b>Musina Local Municipality</b> <b>NOTES TO THE FINANANCIAL STATEMENT</b> <b>for the year ended 30 June 2015</b></p>
--

**Total**

### **35 IMPAIRMENT LOSS / (REVERSAL OF IMPAIRMENT LOSS)**

Property, plant and equipment  
During the year an impairment test, was performed on all categories of Property, Plant and Equipment. The method which was used to determine the recoverable amount was the higher of fair value less costs and value in use. The impairment existed in the category of roads infrastructure

#### **Total Impairment loss / (Reversal of Impairment Loss)**

#### **Fair value less cost to sell and value in use**

Because the unbundling of the infrastructure assets was done recently, the value in use and the fair value was deemed to be the same, other than the fact that it can differ if the infrastructure has significant damages. As such the recoverable amount being the greater of fair value less cost and value in use, differed with each with the costs of damages of the said infrastructure.

The engineer estimated the costs of damages of each class of infrastructure assets based on quoted prices available in the market to restore the infrastructure and the professional knowledge based on the industry norms

#### **Total Impairment loss / (Reversal of Impairment Loss)**

#### **Value in use**

### **36 PROFIT / (LOSS) ON FAIR VALUE ADJUSTMENT**

Investment property

#### **Total**

### **37 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balances and cash

**Total**

### **38 PROPERTY, PLANT AND EQUIPMENT**

GRAP 17 Paragraph 61 state that the residual value and the useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

#### **Reassessment**

Vehicles  
Plant & equipment  
Office equipment  
Bins and Containers  
Furniture and Fittings  
Truvello Radar  
Computer Equipment  
Infrastructure

#### **2015**

An assesment of useful lifes was performed at year end and based on the assesment there were

### **39 CORRECTION OF ERROR**

**for the year ended June 2013**

#### **39.1 Duplication on investment Property-**

During the year it was discovered that land that was transferred to investment property In the previous year (2013) was duplicated in the investment register. Opening balance for 2013 finacial year were adjusted

Decrease in investment property  
Decrease in accumulated surplus

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

Adjustment against Accumulated surplus

**for the year ended June 2014**

**39.2 Overstatement of finance leases**

During the year it was discovered that liabilities resulting from finance liability were overstated in the previous year due to an error in the calculation of the amortisation table

Decrease in finance leases  
Increase in accumulated surplus  
Adjustment against Accumulated surplus

**for the year ended June 2014**

**39.3 Overstatement of accruals**

During the year it was discovered that provisions in the previous year were overstated due to duplication of invoice and some invoice omitted from the List.

Net effect on the Accruals-Decrease  
Increase in accumulated surplus  
Net effect on accumulated surplus

**for the year ended June 2014**

**39.4 Overstated annual bonus**

During the year it was discovered that liabilities resulting from annual bonus were overstated in the previous year due to an error in the calculation of annual bonus during the 2014 financial year.

Decrease on annual bonus  
Increase in accumulated surplus  
Adjustment against Accumulated surplus at the end of 2014 year

**for the year ended June 2014**

**39.5 Omission on performance bonus**

During the year it was discovered an agreement between council and key Management personnel existed, however the provision for performance bonus which was paid in the year under review was not provided for

increase in performance bonus  
Decrease in accumulated surplus

Adjustment against Accumulated surplus at the end of 2014 year

**UNAUTHORISED, IRREGULAR,  
FRUITLESS AND WASTEFUL  
40 EXPENDITURE DISALLOWED**

**40.1 Unauthorised expenditure**

Reconciliation of unauthorised expenditure

- Opening balance
- Unauthorised expenditure current year
- Approved by Council or condoned
- Transfer to receivables for recovery
- Unauthorised expenditure awaiting authorisation

This relates to expenditure on non cash items not budget for.

**40.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure

- Opening balance -
  - Fruitless and wasteful expenditure current year
  - Condoned or written off by Council
  - Fruitless and wasteful expenditure awaiting condonement

Fruitless and wasteful relates to interest on late payments

#### **40.3 Irregular expenditure**

Reconciliation of irregular expenditure

Opening balance  
Irregular - Current year  
Irregular - Identified in current year  
Condoned or written off by Council  
Transfer to receivables for recovery – not condoned  
Irregular expenditure awaiting condonement

Due to deviations from the procurement processes (invitations of three written quotations, increase to bidding price, and no relevant contract or tender documentation) that were approved on the basis of it being an emergency, while it was possible to comply with the requirements or where proper planning would have prevented the deviations. Due to contracts that were extended or renewed to such an extent that competitive bidding processes were being circumvented.

#### **ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT 41 ACT**

##### **41.1 Contributions to SALGA**

Council subscriptions  
Amount paid - current  
**Balance unpaid**

##### **41.2 Audit fees**

Opening balance  
Current year audit fee  
Amount paid - current year  
Amount paid - previous years  
**Balance unpaid**

##### **41.3 VAT**



<b>Musina Local Municipality</b> <b>NOTES TO THE FINANCIAL STATEMENTS</b> <b>for the year ended 30 June 2015</b>
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VAT input receivables and VAT output payables are shown in note 12. All VAT returns have been submitted by the due date throughout the year.

#### 41.4 PAYE and UIF

Opening balance  
 Current year payroll deductions  
 Amount paid - current year  
 Amount paid - previous years  
**Balance unpaid**

#### 41.5 Pension and Medical Aid Deductions

Opening balance  
 Current year payroll deductions and Council Contributions  
 Amount paid - current year  
**Balance unpaid**

#### 41.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

##### for the year ended 30 June 2015

PS Tlou [248403]

M Phiri [371904]

**Total**

**Total**

**R**

32 789

6 768

**32 789**

##### for the year ended 30 June 2014

PS Tlou [248403]

**Total**

29 535

**29 535**

#### 42 CAPITAL COMMITMENTS

##### 42.1 Commitments in respect of capital expenditure

##### - Approved and contracted for

Infrastructure

Community

##### - Approved but not yet contracted for

Infrastructure

Community

**Musina Local Municipality**  
**NOTES TO THE FINANANCIAL STATEMENT**  
**for the year ended 30 June 2015**

**SubTotal**

**Commitments in respect of operating project expenditure**

**- Approved and contracted for**

Community  
Budget & Treasury

**- Approved but not yet contracted for**

Infrastructure  
Community  
Budget & Treasury

**SubTotal**

**Total**

This expenditure will be financed from:

- External Loans
- Government Grants
- Own resources

**Total**

**42.2 COMMITMENTS IN RESPECT OF OPERATING LEASES**

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Within one year

**Total**

Operating Leases consists of the following:

Operating lease payments represent office space payable by the municipality for certain of its office space leased. Leases are negotiated for an average of 1 year and have an annual escalation of 8%

**43 POST- RETIREMENT MEDICAL AID BENEFITS**

**Opening Accrued Liability**

Current-service Cost  
Interest cost  
Contributions (benefits paid)

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

**Total Annual Expense**

Actuarial Loss/Gain

**Closing Accrued Liability**

The Municipality provides certain post-retirement medical aid benefits. These medical aid benefits are unfunded.

These projections assume that the Municipality's health care arrangement and subsidy policy will remain as outlined in the valuation report and that all the actuarial assumptions made are borne out in practice. In addition, it is assumed that no contributions are made by the Municipality towards prefunding its liability via an off-balance sheet vehicle.

The following assumptions were used

Discount rate	9.14%
Health care cost inflation rate	8.20%
Net effective discount rate	0.87%

The assumptions on the discount rate were based on market valuation for the period which the liability obligations are to be settled.

Sensitivity of valuation result to changes in main assumptions

Sensitivity Analysis on the accrued Liability

<b>Assumption</b>	<b>Change</b>	<b>In service</b>
Health care inflation	+1%	8.915
	-1%	5.999

Sensitivity Analysis on current-service and interest cost

<b>Assumption</b>	<b>Change</b>	<b>Current service cost</b>
Health care inflation	+1%	887,900
	-1%	560,400

All figures are in millions

#### **44 CONTINGENT LIABILITY**

##### **44.1 Eskom Guarantee**

Remaining portion of Bank Guarantee to Eskom pledged by ABSA on behalf of Municipality

##### **44.2 Unpaid Supplier**

African Oxygen  
The claim had been lodged against the Municipality by African Oxygen for rental of gas which was not paid. The Cost of the goods is estimated at R 270 053. The court date had been set and the case is still on going.

##### **44.3 Unpaid Supplier**

Slabby Consulting

The claim had been lodged against the Municipality by Slabby Consulting for the Services delivered which were not paid. The Cost of the goods/Services is estimated at R648 107. The court date had been set and the case is still on going.  
The case has been successfully defended in the magistrate court

##### **44.4 Claim**

Dickson Pesulo  
The council is being Sued by Mr Dickson Pesulo, a non employee, for loss of income. The cost of income lost is estimated at R146 000. The Court date had been set the case is still on going.

##### **44.5 Claim**

Swatika Construction

Termination of contract for fuel. The plaintiff want the Municipality to pay damage for the remainder of the contract

#### **44.6 Claim**

The Merchies (Pty) Ltd

The plaintiff alleges that the Municipality did not pay them the full contractual amount for additions and alterations to the Lesley Manyathela Stadium Tender 4/2009

#### **44.7 Claim**

Phillippus Lodewikus van der Merwe

Applicant is seeking an order to transfer and register Erf 1667 & 1668 Messina ext 12 to his name. He wants to pay an amount of R153 900.00 that the Council agreed to sell in 2003 now which is far less than the valued market price of the property.

#### **44.8 Member of Council**

During the year, remuneration to a councillor was paused due to legal implications with council member and the municipality.

#### **44.9 Claim**

W Moraba claims that employees of the municipality wrongly and maliciously set the law in motion by laying a false charge of public violence and malicious damage to property.

#### **45 CONTINGENT ASSET**

Claim

Slabby Consulting - counterclaim

The Municipality is suing Slabby Consulting for breach of contract for poor performance.

## **46 RELATED PARTIES**

### **Vhembe District Municipality**

As Vhembe District Municipality is the Water Services Authority and Musina Local Municipality is the water services provider, however the service level agreement was in dispute and the dispute was lodged with National Treasury for a final decision. The final decision from National Treasury states that all assets should be in the books of Vhembe District Municipality therefore Musina Local Municipality will not include any water transactions or assets in their Annual Financial Statements. The following transactions are involved:

#### **46.1 Receivables from non-exchange transactions**

Refer to note 3

#### **46.2 Payables from exchange transactions**

Refer to note 10

#### **46.3 Key Management**

Other remuneration and compensation provided to key management and their

##### **46.3.1 close family members (Paragraph 34(b))**

During the reporting period the Municipality provided total remuneration and compensation of R0 (2014), R1 322 459 (2015) to close family members of key management personnel. This amount consists of the remuneration of Municipal employees who are close members of the members of key management personnel.

**Remuneration of key management personnel - refer to note 26**

##### **46.3.2 Remuneration Councillors - refer to note 27**

During the reporting period the Municipality provided total remuneration and compensation of R179 325.38 (2014), R482 059 (2015) to close family members of councillors. This amount consists of the remuneration of Municipal employees who are close members of the members of Councillors.

## **47 EVENTS AFTER THE REPORTING DATE**

No events after reporting were identified.

**48 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment  
Recoverable amounts of property, plant and equipment  
Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)  
Present value of defined benefit obligation  
Provision for doubtful debts  
Impairment of assets  
Provision for long-term service award  
Fair Value

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets  
Provisions



## **49 RISK MANAGEMENT**

### **49.1 Maximum credit risk exposure**

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

ABSA Bank - Fixed deposits

ABSA Bank - Current/Cheque account

These balances represent the maximum exposure to credit risk.

The municipality is exposed to an ABSA bank guarantee in favour of Eskom.

### **49.2 Liquidity risk**

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**for the year ended 30 June 2015**

**Less than 1 year**

Consumer deposit	-
Trade payables from exchange transaction	119 187 295
Trade payables from non exchange transaction	28 474 950
Long term Liabilities	5 641 742
Finance lease obligation	676 142

**for the year ended 30 June 2014**

**Less than 1 year**

Consumer deposit	-
Trade payables from exchange transaction	70 113 595
Trade payables from non exchange transaction	23 521 509
Long term Liabilities	6 124 976
Finance lease obligation	748 314

**49.3 Interest rate risk**

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**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

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The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. Municipality policy is to maintain approximately 60% of its borrowings in fixed rate instruments.

At year end, financial instruments exposed

- ABSA Loan
- Development Bank of South Africa loan
- Bankfin

**50 OPERATIONAL GRANT EXPENDITURE**

Finance Management grant [FMG]  
Municipal System Improvement Grant [MSIG]  
EPWP  
TOTAL OPERATIONAL GRANT EXPENDITURE

**51 INCOME FOREGONE**

Assesment Rates

**Total**

**52 IN-KIND DONATIONS AND ASSISTANCE**

De Beers

The municipality received a donation of Mass lights (capital assets), from De Beers during 13/14 financial year. The assets received were capitalised and recognised in the asset register and a donation income was recognised accordingly

**53 RETIREMENT BENEFIT INFORMATION**

**Defined contribution plan**

The following are defined contribution plans: Joint Municipal pension fund, Municipal Employees Pension Fund, SALA Pension Fund, National Fund for Municipal Workers. These contributions have been expensed.

**Defined benefit plan**

The following are defined benefit plans:  
Municipal Gratuity Fund. This plan is not treated as defined benefit plans as defined by IAS19, but are accounted for as defined contribution plans. This is in line with the exemption in IAS 19 par. 30 which states that where information required for proper defined benefit plan accounting is not available in respect of multi-employer and state plans, these should be accounted for as defined contribution plans. The municipality has been unsuccessful in obtaining the necessary information to support proper defined benefit plan accounting due to restrictions imposed by the multi-employer plan. It is therefore deemed impracticable to obtain this information at a suitable level of detail.

Certain employees of the municipality belong to the Joint Municipal pension fund, Municipal Employees Pension Fund, SALA Pension Fund, National Fund for Municipal Workers. The most recent actuarial valuation was done in 2015. These valuations indicate that the plan is in a sound financial position.

An amount of R10230298 ( 2014 : R7914712) was contributed by Council in respect of Councillors and employees retirement funding. These contributions have been expensed and are included in employee related costs for the year.

## **54 DEVIATION FROM PROCUREMENT PROCESSES**

### **Supply Chain Regulation 36(2)**

#### **Department**

##### **54.1 Technichal Department**

123 Occations

Supplier - Various

Deviation due to sole provider of the required service

##### **54.2 Electrical Services**

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**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2015**

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16 occasions  
Supplier - Various  
Deviation due to sole provider of the required service

**54.3 Public Services**

26 Occasion  
Deviation due to sole provider of the required service

**54.4 Council General Expense**

24 Occasions  
Supplier - Various  
Deviation due to sole provider of the required service

**54.5 Budget & Treasury Office**

17 Occasions

Reason - L M Moleya was the leader of the team appointed, she was then permanently employed by Musina Municipality. The team then appointed Mugwedi H J to lead the team. We are still using them until we appoint the service provider for Sorting, Folding and posting municipal debtors accounts.

Supplier - Various

**54.6 Communications**

1 Occasion

Cancellation of an outside broadcast of the eleventh hour and we opted for airtime sales. The station is also a foot print for our target audience.

**54.7 Community Services**

4 Occasion

Supplier - Various

Deviation due to sole provider of the required service

**54.8 Corporate Services**

16 Occasions

Supplier - Various

Deviation due to sole provider of the required service

**54.9 Municipal Manager Office**

21 Occasions

Supplier - Various

Deviation due to sole provider of the required service

**54.1 Integrated Development plan**

1 Occasion

Proclamation of rezoning in terms of section 57 of Town planning & Townships Ordinance 15 of 1986 is the responsibility of the municipality. Plankonsult have done this on our behalf which is why they need to be refunded for the fund paid to provincial Gazette

Supplier - Plankonsult

Deviation due to sole provider of the required service

**TOTAL DEVIATION**

There was no other non compliance with section 125(2)(e) of the MFMA

**55 GOING CONCERN**

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

NTS

2015	2014
R	R
887 620	1 058 995
3 190 065	2 928 511
3 680 117	2 376 360
52 808 929	28 373 402.44
672 126	571 311
2 481 568	2 481 568
17 213 808	-
4 085 953	4 220 494
12 298 231	9 882 192
<b>97 318 417</b>	<b>51 892 832</b>

4 324 679	4 196 517
<b>4 324 679</b>	4 196 517

<b>1 177 004</b>	<b>1 456 245</b>
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<b>8 278 629</b>	<b>2 165 687</b>
------------------	------------------

99 275 961	53 312 075
28 474 950	23 521 509
<b>127 750 911</b>	<b>76 833 584</b>

2 361 886	2 016 693
370 217	601 627
413 204	308 128
3 562 670	2 976 393



NTS

2015	2014
R	R
6 707 977	5 902 841

3 284 521	3 228 038
691 353	56 483
<b>3 975 874</b>	<b>3 284 521</b>

3 284 521	3 228 038
414 788	352 462
252 842	244 766
331 851	347 062
-308 128	-328 312

3 975 874	3 844 016
<b>3 644 023</b>	<b>3 476 954</b>

3 284 521	3 228 038
414 788	352 462
252 842	224 766
331 851	-192 433
999 481	384 795
-308 128	-328 312
<b>3 975 874</b>	<b>3 284 521</b>

NTS

2015  
R

2014  
R

8 455 860	1 240 786
<b>8 455 860</b>	<b>1 240 786</b>

<b>27 882 473</b>	<b>33 033 433</b>
14 037 650	15 677 950
13 844 823	17 355 483
<b>-5 641 742</b>	<b>-6 124 976</b>
-1 804 824	-1 640 299
-3 836 918	-4 484 677
<b>22 240 731</b>	<b>26 908 457</b>

Future finance  
charges  
R

Present value  
of minimum  
lease payments  
R

NTS

2015 R	2014 R
-41 032	676 142
-410	34 538
-41 442	<b>710 681</b>
	-676 143
	<b>34 538</b>

5 year lease term.  
 rged at the begining  
 nts. There were no  
 riod.

ars and an effective  
 was enteredd into

ssets over the lease

Future finance charges R	Present value of minimum lease payments R
-137 705	748 314
-41 442	710 680
-179 147	<b>1 458 994</b>
	-748 314
	<b>710 681</b>

NTS

2015  
R

2014  
R

7 948 393

4 724 837

**7 948 393**

**4 724 837**

4 724 837

3 694 047

3 223 556

1 030 790

**7 948 393**

**4 724 837**

3 631 821

3 377 039

3 112 339

2 813 910

913 088

846 002

3 219 205

2 988 130

53 049

49 061

915 271

886 509

192 881

189 957

1 513

116

82 464

52 978

33 023

31 033

131 975

107 866

**12 286 627**

**11 342 602**

3 156 731 598

3 156 731 598

86 252 600

98 102 600

20 800 000

39 275 000

16 395 000

75 000

137 971 000

137 546 000

1 443 000

1 443 000

286 063 340

284 808 340

5 280 000

5 280 000

1 260 000

1 260 000

NTS

2015	2014
R	R
105 251 000	112 111 000
9 000	9 000
1 296 396 640	1 329 568 640
8 470 000	8 470 000
145 961 000	145 961 000
184 500 000	184 500 000
6 140 000	6 140 000
818 134 562	822 684 562
293 701 000	293 701 000
114 467 000	114 467 000
39 220 000	39 220 000
175 239 000	175 239 000
10 250 000	10 250 000
74 530 000	77 130 000
16 020 000	16 020 000
2 000	2 000
2 550 000	2 550 000
49 900 000	51 860 000
107 035 100	80 535 100
2 660 000	2 660 000
48 378 000	52 268 000
38 933 000	38 933 000
38 513 785	42 193 785
2 698 000	2 698 000
4 500 000	31 000 000
15 450 000	15 450 000
<b>7 334 060 625</b>	<b>7 357 187 625</b>

NTS

2015 R	2014 R
78 561 470	73 388 146
11 933 676	10 888 769
<b>90 495 146</b>	<b>84 276 915</b>

452 677	373 314
<b>452 677</b>	<b>373 314</b>

153 828	122 964
618 021	830 582
<b>771 849</b>	<b>953 545</b>

1 754 820	1 731 329
<b>1 754 820</b>	<b>1 731 329</b>

38 967 819	34 393 000
11 727 926	16 132 694
-	3 728 751
1 800 000	1 650 000
934 000	890 000
1 067 000	1 000 000
<b>54 496 745</b>	<b>57 794 445</b>

38 967 819	34 393 000
-38 967 819	-34 393 000
-	-

NTS

2015  
R

2014  
R

1 800 000	1 650 000
-1 800 000	-1 650 000

-	-
---	---

934 000	890 000
-934 000	-934 000
-	-44 000

1 067 000	1 000 000
-1 067 000	-1 000 000

-	-
---	---

1 240 786	4 258 230
18 943 000.00	16 844 000
-11 727 926.26	-19 861 444
<b>8 455 860</b>	<b>1 240 786.03</b>

NTS

2015  
R

2014  
R

1 921 509

3 518 031

8 650 863

3 336 050

**10 572 372**

**6 854 081**



NTS

2015 R	2014 R
49 857 079	39 861 379
14 267 366	10 617 322
4 988 713	3 965 301
1 406 410	1 163 138
9 559 192	8 748 637
3 857 695	3 276 892
1 177 142	403 604
439 137	413 028
2 707 206	5 306 048
1 250 100	1 753 436
345 194	2 337 255
<b>89 855 234</b>	<b>77 846 039</b>

919 967	836 136
230 532	89 678
240 000	240 000
231 866	224 973
<b>1 622 365</b>	<b>1 390 787</b>

718 025	673 663
113 602	-
333 372	300 000
15 882	80 938
161 984	108 993
<b>1 342 866</b>	<b>1 163 593</b>

-	750 543
98 610	123 878
-	51 666
142 367	-
-	-
-	-
<b>240 976</b>	<b>926 087</b>

334 928	-
-	-
50 000	-
59 734	171 939

NTS

2015	2014
R	R
-	-
23 617	-
<b>468 279</b>	<b>171 939</b>

181 771	236 181
-	66 545
31 420	30 000
-	-
8 913	-
<b>222 104</b>	<b>332 726</b>

758 500	696 543
168 619	66 545
102 249	102 000
-	-
-	-
92 952	110 456
<b>1 122 320</b>	<b>975 544</b>

739 363	698 687
559 740	529 238
1 662 414	1 569 159
-	203 671
762 818	726 914
<b>3 724 335</b>	<b>3 727 669</b>

98 901	73 086
228 542	184 830
1 043 026	1 096 810
<b>1 370 469</b>	<b>1 354 726</b>

NTS

2015 R	2014 R
26 951 894	22 324 437
100 202	118 299
-	-
-	-
<b>27 052 096</b>	<b>22 442 736</b>

10 802 984	12 389 018
	-
<b>10 802 984</b>	<b>12 389 018</b>

3 117 486	3 003 493
<b>3 117 486</b>	<b>3 003 493</b>

52 651 004	44 211 670
<b>52 651 004</b>	<b>44 211 670</b>

2.86%	2.03%
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5 734 784	5 431 606
<b>5 734 784</b>	<b>5 431 606</b>

3 327 661	2 964 975
<b>3 327 661</b>	<b>2 964 975</b>

NTS

2015 R	2014 R
157 239	393 396
-	-
1 230 733	2 281 226
290 997	383 109
152 675	43 809
-	-
193 147	67 860
-	-
5 074 661	4 681 222
959 029	459 288
-	-
-	-
1 396 254	255 066
-	-
1 173 086	947 931
909 401	936 153
1 333 306	814 004
-	-
24 240	13 378
243 910	718 555
14 860	1 479 789
-	-
229 901	219 481
1 245 889	1 030 975
45 995	50 731
354 535	55 987
826 990	622 549
2 079 170	2 557 386
656 991	1 359 466
4 646 314	5 584 575
240 769	68 883
135 611	167 502
966 991	811 129
1 292 834	1 148 499
429 074	247 400
-	60 871
39 430	35 290
-	534 814
13 803	-
293 739	116 053
-	56 087
7 475 732	504 133
27 870	-
-	70 340
11 232	
3 480	
41 350	67 050
583 141	528 123
3 223 556	1 030 790

NTS

2015	2014
R	R
38 017 933	30 402 899

NTS

2015  
R

2014  
R

-4 763 749

2 634 092

**-4 763 749**

**2 634 092**

-26 649 300

-10 665 000

**-26 649 300**

**-10 665 000**

NTS

2015 R	2014 R
1 523 711	1 557 516
<b>1 523 711</b>	<b>1 557 516</b>

-	1 098 507
-	371 470
-	423 670
-	22 195
-	580 705
-	1 248
-	52 037
-	133 007
-	<b>2 682 839</b>

: no changes to prior year estimates.

-43 248 820  
-43 248 820

NTS

2015  
R

2014  
R

-43 248 820



NTS

2015  
R

2014  
R

-404 299

404 299

**404 299**

-8 723

8 723

**8 723**

-2 024 679

2 024 680

**2 024 680**

601 627

-601 627

NTS

2015
R
<u>601 627</u>

2014
R

32 079 700
-
-

32 079 700
-
-

<u>32 079 700</u>
-------------------

<u>32 079 700</u>
-------------------

7 472 472
1 501 898
-

7 291 253.64
181 218
-

<u>8 974 370</u>
------------------

<u>7 472 472</u>
------------------

NTS

2015  
R

2014  
R

69 578 577  
3 100 843

64 295 518

5 283 059

-

-

**72 679 420**

**69 578 577**

866 870

561 893

-866 870

-561 893

-

-

848 786

410 425

1 230 733

2 078 008

-1 230 733

-1 229 223

-848 786

-410 425

-

**848 786**

NTS

2015	2014
R	R
1 255 573	643 187
14 309 504	11 657 568.54
-13 117 676	-10 401 995.38
-1 255 573	-643 187.05
<b>1 191 828</b>	<b>1 255 573</b>

13 778 406	11 621 880
-13 778 406	-11 621 880
-	-

Outstanding less than 90 days	Outstanding more than 90 days
R	R
1 577	31 212
777	5 991
<b>1 577</b>	<b>31 212</b>

	23 458
-	<b>23 458</b>

<b>8 348 294</b>	<b>11 713 601</b>
5 880 523	10 969 889
2 467 771	743 712
<b>23 724 000</b>	<b>26 422 285</b>
19 656 000	12 934 285
4 068 000	13 488 000

NTS

2015	2014
R	R
32 072 294	38 135 886

NTS

2015	2014
R	R
<b>31 476 082</b>	<b>5 477 158</b>
2 101 268	3 331 649
29 374 814	2 145 509
<b>5 569 000</b>	<b>3 027 715</b>
270 000	
5 171 000	-
128 000	3 027 715
<b>37 045 082</b>	<b>8 504 873</b>
<b>69 117 376</b>	<b>46 640 759</b>

-	10 969 889
24 525 997	19 686 711
44 591 379	15 984 158
<b>69 117 376</b>	<b>46 640 758</b>

55 970	26 573
<b>55 970</b>	<b>26 573</b>

8 100 411	<b>6 346 975</b>
702 322	476 292
742 358	580 175
-156 864	-143 388

NTS

2015	2014
R	R
<b>1 287 816</b>	<b>913 079</b>
-37 716	840 357
<b>9 350 511</b>	<b>8 100 411</b>

Continuation	Total	Change %
2.242	11.157	19%
1.911	7.91	-15%

interest cost	Total	Change %
874,900	1762,800	22%
636,400	1196,800	-17%

NTS

2015  
R

2014  
R

-

305 203

270 053

270 053

-

648 107

146 000

146 000

2 174 195

2 174 195



NTS

2015	2014
R	R
314 582	314 582

2 000 000	767 000
-----------	---------

51 945	72 017
--------	--------

400 000	
---------	--

2 071 400	-
-----------	---

NTS

2015  
R

2014  
R

76 902 542

47 163 545

99 275 961

53 312 075

NTS

2015  
R

2014  
R

NTS

2015  
R

2014  
R

10 936 963	10 348 797
1 523 711	1 557 516

NTS

2015  
R

2014  
R

Between 1 and 2  
years                      Between 2 and 5 ye Over 5 years

-	-	4 324 679
-	-	-
-	-	-
5 170 955	9 031 978	8 037 798
34 538	-	-

Between 1 and 2  
years                      Between 2 and 5 ye Over 5 years

-	-	4 196 517
-	-	-
-	-	-
-	-	-
676 142	34 538	-

NTS

2015  
R

2014  
R

13 844 823

17 355 483

14 037 650

15 677 950

230 695

409 678

**28 113 168**

**33 443 111**

NTS

2015  
R

2014  
R

1 800 000	1 650 000
934 000.00	890 000
1 067 000	1 000 000
<b>3 801 000</b>	<b>3 540 000</b>

-

134 540	71 983
---------	--------

<b>134 540</b>	<b>71 983</b>
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-	2 076 389
---	-----------

-	<b>2 076 389</b>
---	------------------

NTS

2015  
R

2014  
R

2 158 989

284 861



NTS

2015 R	2014 R
-	1 335 436
-	343 947
295 486	208 261

NTS

2015 R	2014 R
210 501	108 181
13 680	3 500
26 006	4 628
335 371	89 564
565 868	536 086
-	27 514
<b>3 605 902</b>	<b>2 941 978</b>

**Musina Local Municipality**  
**APPENDIX A**  
**SCHEDULE OF EXTERNAL LIABILITIES**  
as at 30 June 2015

	<b>Loan number</b>	<b>Redeemable Date</b>
<b>EXTERNAL LOANS</b>		
LONG-TERM LOANS		
(DBSA) INFRASTRUCTURE @ 10% (ABSA)	102405	30/06/2026
(BANKFIN) TOYOTA HILUX 2.5D-4D @ 8%	77532299	01/09/2013
(BANKFIN) TOYOTA HILUX 2.5D-4D @ 8%	77532345	01/09/2013
(BANKFIN) 2008 S.A.M.E EXPLORER 85 SPE @ 8%	77532043	01/09/2013
(BANKFIN) 2008 TOYOTA DYNA 7-105 4.5 TO @ 8%	77552362	01/09/2013
(BANKFIN) TOYOTA HILUX 2.5D-4D @ 8%	77532310	01/09/2013
(BANKFIN) AVESIS 2.0 ADVAN @ 8%	77531802	01/09/2013
(BANKFIN) 2008 MERCEDES BENZ M350(W164) @ 8%	77196795	02/08/2016
(BANKFIN) 2008 HINO 13-237 @ 8%	77552214	01/09/2013
<b>TOTAL EXTERNAL LOANS</b>		

**Unaudited Annexure schedule**

ality

OANS

Balance at 30 June 2014	Received during the period	Redeemed / written off during the period	Balance at 30 June 2015
R	R	R	R
15 677 949.65		(1 640 299)	14 037 650.16
17 355 483.28	-	(3 510 660)	13 844 822.98
-		-	-
-		-	-
-		-	-
-		-	-
-		-	-
409 678.33		(178 984)	230 694.69
-		-	-
<b>33 443 111.26</b>	<b>-</b>	<b>(5 329 943)</b>	<b>28 113 167.83</b>

	Opening Balance	Additions
	R	R
<b>Land</b>		
Land	28 707 202	-
Landfill Sites	-	-
Quarries	-	-
	28 707 202	-
<b>Buildings</b>	50 225 534	3 004 947
<b>Infrastructure</b>		
Drains	-	-
Roads	204 382 264	74 461
Sewerage Mains & Purification	631 178	-
Electricity Mains	81 145 248	-
Electricity Peak Load Equip	-	-
Water Mains & Purification	-	-
Reservoirs – Water	127 610	-
Water Meters	355 692	-
Storm Water	478 824	-
	287 120 816	74 461
<b>Community Assets</b>		
Parks & Gardens	4 219 566	-
Libraries	-	-
Recreation Grounds	-	-
Civic Buildings	-	-
Stadiums	30 787 232	-
Halls	-	-
Theatre	-	-
Swimming Pools	-	-
Cemeteries	-	-
	35 006 797	-
<b>Heritage Assets</b>		
Historical Buildings	-	-
Paintings & Artifacts	-	-
	-	-

<b>Total carried forward</b>	401 060 349	3 079 408
------------------------------	-------------	-----------

	<b>Opening Balance</b>	<b>Additions</b>
	<b>R</b>	<b>R</b>
<b>Total brought forward</b>	401 060 349	3 079 407.77
<b>Other Assets</b>		
Office Equipment	1 961 188	485 823.68
Furniture & Fittings	2 441 642	2 911.57
Bins and Containers	1 594 110	133 580.00
Emergency Equipment	-	-
Motor vehicles	8 600 628	3 331 563.80
Plant & Equipment	1 685 972	198 265.07
Car Port	8 494	-
Computer Equipment	266 566	62 092.08
Computer Software (part of computer equipment)	-	-
Other Assets	-	-
	16 558 601	4 214 236
<b>Finance Lease Assets</b>		
Office Equipment	2 139 961	-
Other Assets	-	-
	2 139 961	-
<b>Total</b>	<b>419 758 911</b>	<b>7 293 644</b>

	Opening Balance	Additions
	R	R
<b>Land</b>		
Land	28 707 202	-
Sport Fields	-	-
Quarries	-	-
	28 707 202	-
<b>Buildings</b>	41 342 285	6 426 959
<b>Infrastructure</b>		
Drains	-	-
Roads	197 389 081	2 559 362
Sewerage Mains & Purification	631 178	-
Electricity Mains	75 107 285	2 576 973
Electricity Peak Load Equip	-	-
Water Mains & Purification	-	-
Reservoirs – Water	127 610	-
Water Meters	355 692	-
Storm Water	478 824	-
	274 089 670	5 136 335
<b>Community Assets</b>		
Parks & Gardens	1 526 028	2 693 538
Libraries	-	-
Recreation Grounds	-	-
Civic Buildings	-	-
Stadiums	24 851 507	5 935 724
Halls	-	-
Theatre	-	-
Swimming Pools	-	-
Cemeteries	-	-
	26 377 535	8 629 262
<b>Heritage Assets</b>		
Historical Buildings	-	-
Paintings & Artifacts	78 910	-
	78 910	-



Total carried forward	370 595 603	20 192 556
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	<b>Opening Balance</b>	<b>Additions</b>
	<b>R</b>	<b>R</b>
<b>Total brought forward</b>	370 595 603	20 192 556
<b>Other Assets</b>		
Office Equipment	3 342 925	450 179
Furniture & Fittings	2 446 737	167 509
Bins and Containers	1 463 220	130 890
Emergency Equipment	-	-
Motor vehicles	-	3 733 605
Fire engines	2 342 208	83 107
Refuse tankers	8 494	-
Computer Equipment	211 132	-
Computer Software (part of computer equipment)	-	-
Other Assets	-	-
	9 814 717	4 565 290
<b>Finance Lease Assets</b>		
Office Equipment	8 684 698	100 743
Other Assets	-	-
	8 684 698	100 743
<b>Total</b>	<b>389 095 017</b>	<b>24 858 589</b>

**Unaudited Annexure schedule**

**Musina Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EC**

as at 30 June 2015

<b>Cost / Revaluation</b>				
<b>Movement</b>	<b>Disposals</b>	<b>Under Construction</b>	<b>Closing Balance</b>	<b>Opening Balance</b>
	R	R	R	R
-	-		28 707 202	
	-	-	-	-
	-	-	-	-
-	-	-	28 707 202	-
	-	1 202 026	54 432 506	-9 499 511
	-	-	-	-
	-5 280 474	18 022 551	217 198 802	-109 652 456
	-30 121	-	601 057	-118 819
	-	7 598 344	88 743 592	-25 145 809
	-	-	-	-
	-	-	-	-
	-44 577	-	83 033	-69 153
	-	-	355 692	-177 847
	-	-	478 824	-319 215
-	-5 355 172	25 620 895	307 461 000	-135 483 299
	-	-	4 219 566	-99 327
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	1 370 458	32 157 690	-1 854 564
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
-	-	1 370 458	36 377 255	-1 953 891
	-	-	-	-
	-	-	-	-
	-	-	-	-

-5 355 172

28 193 379

426 977 964

-146 936 701

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**Musina Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EC**

as at 30 June 2015

<b>Cost / Revaluation</b>				
<b>Movement</b>	<b>Disposals</b>	<b>Under Construction</b>	<b>Closing Balance</b>	<b>Opening Balance</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	-5 355 172	28 193 379	426 977 964	-146 936 701
-	-106 848	-	2 340 164	-862 184
-	-42 938	-	2 401 616	-1 200 555
	-	-	1 727 690	-286 223
	-	-	-	-
-	-	-	11 932 192	-2 853 590
-	-814 095	-	1 070 143	-1 110 254
	-	-	8 494	-2 937
-	-28 933	-	299 724	-60 406
	-	-	-	-
	-	-	-	-
-	-992 814	-	19 780 023	-6 376 149
-	-24 031	-	2 115 931	-746 973
	-	-	-	-
-	-24 031	-	2 115 931	-746 973
	<b>-6 372 017</b>	<b>28 193 379</b>	<b>448 873 917</b>	<b>-154 059 823</b>

**Musina Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EC**

as at 30 June 2014

<b>Cost / Revaluation</b>				
<b>Movement</b>	<b>Disposals</b>	<b>Under Construction</b>	<b>Closing Balance</b>	<b>Opening Balance</b>
	R	R	R	R
-	-		28 707 202	
	-	-	-	-
	-	-	-	-
-	-	-	28 707 202	-
	-	2 456 289	50 225 532	-8 043 466
	-	-	-	-
	-	4 433 821	204 382 264	-94 895 812
	-	-	631 178	-96 277
	-	3 460 990	81 145 248	-19 995 148
	-	-	-	-
	-	-	-	-
	-	-	127 610	-64 154
	-	-	355 692	-165 143
	-	-	478 824	-266 012
-	-	7 894 811	287 120 816.36	-115 482 546
	-	-	4 219 566	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	30 787 232	-1 074 134
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
-	-	-	35 006 797	-1 074 134
	-	-	-	-
	-	-	78 910	-
	-	-	78 910	-

-

-

10 351 100

401 139 258

-124 600 146

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**Musina Local Municipality**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EC**

as at 30 June 2014

<b>Cost / Revaluation</b>				
<b>Movement</b>	<b>Disposals</b>	<b>Under Construction</b>	<b>Closing Balance</b>	<b>Opening Balance</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	-	10 351 100	401 139 258	-124 600 146
-44 533	-1 787 383	-	1 961 188	-2 123 295
-83 316	-89 287	-	2 441 642	-1 010 307
	-	-	1 594 110	-244 034
	-	-	-	-
6 645 479	-1 778 456	-	8 600 628	1 098 507
51 423	-790 766	-	1 685 972	-1 688 985
	-	-	8 494	-2 406
76 428	-20 995	-	266 566	-35 913
	-	-	-	-
	-	-	-	-
6 645 481	-4 466 887	-	16 558 599	-4 006 433
	-6 645 479	-	2 139 961	-4 885 600
	-	-	-	-
-	-6 645 479	-	2 139 961	-4 885 600
<b>6 645 481</b>	<b>-11 112 366</b>	<b>10 351 100</b>	<b>419 837 818</b>	<b>-133 492 179</b>



# EQUIPMENT

Accumulated Depreciation			
Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss
R		R	R
			-
-		-	-
-		-	-
-	-	-	-
-1 677 165		-	-
-		-	-
-11 831 958		1 832 143	4 763 749
-22 542		12 668	-
-8 691 368		-	-
-		-	-
-		-	-
-5 000		24 123	-
-53 203		-	-
-53 203	-	-	-
-20 657 273	-	1 868 934	4 763 749
-140 652		-	-
-		-	-
-		-	-
-		-	-
-1 026 241		-	-
-		-	-
-		-	-
-		-	-
-1 166 893	-	-	-
-		-	-
-		-	-
-		-	-

-23 501 332	-	1 868 934	4 763 749
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# **EQUIPMENT**

<b>Accumulated Depreciation</b>			
<b>Depreciation</b>	<b>Movement</b>	<b>Disposals</b>	<b>Impairment loss/Reversal of impairment loss</b>
<b>R</b>		<b>R</b>	<b>R</b>
-23 501 332		1 868 934	4 763 749
-384 006	-	77 742	-
-323 321	-	15 382	-
-303 041	-	-	-
-	-	-	-
-1 656 574	-	-	-
-204 542	-	663 407	-
-1 699	-	-	-
-63 565	-	9 644	-
-	-	-	-
-	-	-	-
-2 936 748.82	-	766 175.51	-
-513 813.65	-	17 995.57	-
-	-	-	-
-513 814	-	17 996	-
<b>-26 951 894</b>	<b>-</b>	<b>2 653 105</b>	<b>4 763 749</b>

# EQUIPMENT

Accumulated Depreciation			
Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss
R		R	R
			-
-		-	-
-		-	-
-	-	-	-
-1 456 046		-	-
-		-	-
-12 122 552		-	-2 634 092
-22 542		-	-
-5 150 662		-	-
-		-	-
-		-	-
-5 000		-	-
-12 703		-	-
-53 203	-	-	-
-17 366 661	-	-	-2 634 092
-99 327		-	-
-		-	-
-		-	-
-		-	-
-780 430		-	-
-		-	-
-		-	-
-		-	-
-879 757	-	-	-
-		-	-
-		-	-
-		-	-

-19 702 464

-

-

-2 634 092

---

# **EQUIPMENT**

<b>Accumulated Depreciation</b>			
<b>Depreciation</b>	<b>Movement</b>	<b>Disposals</b>	<b>Impairment loss/Reversal of impairment loss</b>
<b>R</b>		<b>R</b>	<b>R</b>
-19 702 464		-	-2 634 092
-528 462	2 190	1 787 383	-
-229 122	-37 499	76 374	-
-42 302		112	-
-		-	-
-1 035 189	-4 642 661	1 725 753	-
-249 451	37 416	790 766	-
-531	-	-	-
-32 884	-2 107	10 497	-
-		-	-
-		-	-
-2 117 940	-4 642 661	4 390 886	-
-504 033	4 642 661	-	-
-		-	-
-504 033	4 642 661	-	-
<b>-22 324 437</b>	<b>-0</b>	<b>4 390 886</b>	<b>-2 634 092</b>

Closing Balance	Transfers	Other movements	Carrying Value
R	R	R	R
-	-	-	28 707 202
-	-	-	-
-	-	-	-
-	-	-	28 707 202
-11 176 677	-	-	43 255 830
-	-	-	-
-114 888 522	-	-	102 310 280
-128 693	-	-	472 364
-33 837 177	-	-	54 906 415
-	-	-	-
-	-	-	-
-50 030	-	-	33 003
-231 049	-	-	124 643
-372 418	-	-	106 406
-149 507 890	-	-	157 953 111
-239 979	-	-	3 979 587
-	-	-	-
-	-	-	-
-	-	-	-
-2 880 805	-	-	29 276 885
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-3 120 704	-	-	33 256 471
-	-	-	-
-	-	-	-
-	-	-	-

-163 805 270	-	-	263 172 614
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Closing Balance	Transfers	Other movements	Carrying Value
R	R	R	R
-163 805 270	-	-	263 172 614
-1 168 448	-	-	1 171 716
-1 508 495	-	-	893 121
-589 264	-	-	1 138 425.53
-	-	-	-
-4 510 163	-	-	7 422 028
-651 389	-	-	418 753
-4 635	-	-	3 859
-114 327	-	-	185 398
-	-	-	-
-	-	-	-
-8 546 833	-	-	11 233 300
-1 242 791	-	-	873 140
-	-	-	-
-1 242 791	-	-	873 140
<b>-173 594 894</b>	<b>-</b>	<b>-</b>	<b>275 279 054</b>

Closing Balance	Transfers	Other movements	Carrying Value
R	R	R	R
-	-	-	28 707 202
-	-	-	-
-	-	-	-
-	-	-	28 707 202
-9 499 511	-	-	40 726 021
-	-	-	-
-109 652 456	-	-	94 729 808
-118 819	-	-	512 359
-25 145 809	-	-	55 999 439
-	-	-	-
-	-	-	-
-69 153	-	-	58 457
-177 847	-	-	177 845
-319 215	-	-	159 609
-135 483 299	-	-	151 637 517
-99 327	-	-	4 120 239
-	-	-	-
-	-	-	-
-	-	-	-
-1 854 564	-	-	28 932 667
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-1 953 901	-	-	33 052 906
-	-	-	-
-	-	-	78 910
-	-	-	78 910

-146 936 711

-

-

254 202 556

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Closing Balance	Transfers	Other movements	Carrying Value
R	R	R	R
-146 936 711	-	-	254 202 556
-862 184	-	-	1 099 004
-1 200 555	-	-	1 241 087
-286 223	-	-	1 307 887
-	-	-	-
-2 853 590	-	-	5 747 038
-1 110 254	-	-	575 718
-2 937	-	-	5 557
-60 406	-	-	206 160
-	-	-	-
-	-	-	-
-6 376 261	-	-	10 182 452
-746 973	-	-	1 392 989
-	-	-	-
-746 973	-	-	1 392 989
-154 059 945	-	-	265 777 997

	Opening Balance	Additions
	R	R
Executive & Council	3 300 434	749 092
Finance & Admin	254 880 874	13 226 034
Planning & Development	42 785 366	3 004 947
Community & Social Services	9 137 737	
Public Safety	623 593	-
Sport & Recreation	24 298 802	-
Environmental Protection	-	
Waste Management	5 853 880	133 580
Road Transport	15 949 025	3 331 564
Water	-	
Electricity	62 929 265	-
<b>Total</b>	<b>419 758 976</b>	<b>20 445 217</b>

**Unaudited Annexure schedule**

**Musina Local Municipality**  
**APPENDIX C**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**

as at 30 June 2015

Cost / Revaluation			
Take on	Under Construction	Disposals	Closing Balance
	R	R	R
	-	(1 016 845)	3 032 681
	12 469 322	(5 355 172)	275 221 058
	1 202 026	-	46 992 338
		-	9 137 737
-	-	-	623 593
	1 370 458.00	-	25 669 260
		-	-
		-	5 987 460
-	-	-	19 280 589
		-	-
-	-	-	62 929 265
-	15 041 806	(6 372 017)	448 873 982

**EQUIPMENT**

Accumulated Depreciation			
Opening Balance	Additions	Disposals	Closing Balance
R	R	R	R
1 729 861	1 436 748.80	(784 171)	2 382 439
133 780 771	8 126 715	(1 868 934)	140 038 552
1 274 223	3 177 165	-	4 451 388
202 084	140 652	-	342 736
497 959		-	497 959
24 110	1 026 241	-	1 050 351
		-	-
900 731	303 041	-	1 203 772
6 364 951	1 656 574	-	8 021 525
		-	-
9 285 228	6 321 008		15 606 236
<b>154 059 920</b>	<b>22 188 145</b>	<b>(2 653 105)</b>	<b>173 594 959</b>

<b>Carrying value</b>
R
650 241
135 182 506
42 540 950
8 795 001
125 634
24 618 909
-
4 783 688
11 259 064
-
47 323 029
<b>275 279 023</b>



**Musina Local Municipality**  
**APPENDIX D**  
**SEGMENTAL STATEMENT OF FINANCIAL I**  
for the year ended 30 June 201

<b>2014</b>	<b>2014</b>	<b>2014</b>	
<b>Actual Income</b>	<b>Actual Expenditure</b>	<b>Surplus / (Deficit)</b>	
<b>R</b>	<b>R</b>	<b>R</b>	
17 746 605	52 175 871	(34 429 266)	Executive & Council
			Municipal Manager
39 650 192	49 623 555	(9 973 363)	Financial Services
1 000 000	7 201 362	(6 201 362)	Planning & Development
		-	Health
791 075	11 635 009	(10 843 934)	Community & Services
		-	Corporate Services
	7 277 242	(7 277 242)	Technichal Services
		-	Environmental Protection
10 888 769	11 243 931	(355 162)	Waste Management
6 099 492	11 726 484	(5 626 992)	Road Transport
73 388 146	55 103 392	18 284 754	Electricity
	-	-	Other
<b>149 564 278</b>	<b>205 986 845</b>	<b>(56 422 567)</b>	
			Less: Inter-Department Char
<b>149 564 278</b>	<b>205 986 845</b>	<b>(56 422 567)</b>	<b>Total</b>

**Unaudited Annexure schedule**

**PERFORMANCE**

15

<b>2015</b>	<b>2015</b>	<b>2015</b>
<b>Actual Income</b>	<b>Actual</b>	<b>Surplus /</b>
<b>R</b>	<b>Expenditure</b>	<b>(Deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>
22 326 015	53 129 967	(30 803 952)
	10 942 445	(10 942 445)
44 282 293	6 184 221	38 098 072
1 067 000	14 962 356	(13 895 356)
	-	-
8 909 933	19 327 643	(10 417 710)
	16 004 811	(16 004 811)
90 495 146	94 870 450	(4 375 304)
		-
-	-	-
-	-	-
-	-	-
	-	-
<b>167 080 387</b>	<b>215 421 893</b>	<b>(48 341 506)</b>
ges		
<b>167 080 387</b>	<b>215 421 893</b>	<b>(48 341 506)</b>

Description		
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)
<b>R thousands</b>		
	<b>1</b>	<b>2</b>
<b>Financial Performance</b>		
Property rates	12 869 634	1 168 921
Service charges	94 545 553	4 131 204
Investment revenue	150 000	48 305
Transfers recognised - operational	42 767 000	-
Other own revenue	36 898 534	16 655 410
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>187 230 721</b>	<b>22 003 840</b>
Employee costs	81 279 114	5 173 039
Remuneration of councillors	5 408 344	(1 712 645)
Debt impairment	500 000	-
Depreciation	19 947 300	5 000 000
Finance charges	910 882	824 695
Materials and bulk purchases	49 835 290	12 767 238
Transfers and grants	7 234 000	617 000
Contracted Services	5 495 000	6 663
Other expenditure	26 561 091	4 327 850
<b>Total Expenditure</b>	<b>197 171 021</b>	<b>27 003 840</b>
<b>Surplus/(Deficit)</b>	<b>(9 940 300)</b>	<b>(5 000 000)</b>
Transfers recognised - capital	18 943 000	
Contributions recognised - capital & contributed assets	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>18 943 000</b>	<b>-</b>
Share of surplus/ (deficit) of associate		
<b>Surplus/(Deficit) for the year</b>	<b>9 002 700</b>	<b>(5 000 000)</b>
<b>Capital expenditure &amp; funds sources</b>		
<b>Capital expenditure</b>		
Transfers recognised - capital	(18 943 000)	
Public contributions & donations	-	
Borrowing	(10 507 000)	
Internally generated funds		
<b>Total sources of capital funds</b>	<b>(29 450 000)</b>	<b>-</b>
<b>Cash flows</b>		
Net cash from (used) operating		

Net cash from (used) investing  
Net cash from (used) financing  
**Cash/cash equivalents at the year end**


**Unaudited Annexure schedule**

**APPENDIX E1**  
**Reconciliation of Budget Summary**

2014/2015				
Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome
3	4	5	6	7
14 038 555		-	14 038 555	12 286 627
98 676 757		-	98 676 757	90 495 146
198 305		-	198 305	771 849
42 767 000		-	42 767 000	42 768 819
53 553 944		-	53 553 944	20 757 946
<b>209 234 561</b>	<b>-</b>	<b>-</b>	<b>209 234 561</b>	<b>167 080 387</b>
86 452 153		(1 845 089)	84 607 064	89 855 234
3 695 699		28 635	3 724 334	3 724 335
500 000		744 355	1 244 355	5 017 721
24 947 300		2 104 796	27 052 096	27 052 096
1 735 577		1 381 909	3 117 486	3 117 486
62 602 528		387 081	62 989 609	63 453 988
7 851 000		(722 340)	7 128 660	7 128 661
5 501 663		233 121	5 734 784	5 734 784
30 888 941		(2 312 468)	28 576 473	10 337 589
<b>224 174 861</b>	<b>-</b>	<b>-</b>	<b>224 174 861</b>	<b>215 421 893</b>
<b>(14 940 300)</b>	<b>-</b>	<b>-</b>	<b>(14 940 300)</b>	<b>-48 341 506</b>
18 943 000			18 943 000	18 943 000
-		-	-	-
<b>18 943 000</b>	<b>-</b>	<b>-</b>	<b>18 943 000</b>	<b>18 943 000</b>
-		-	-	-
<b>4 002 700</b>	<b>-</b>	<b>-</b>	<b>4 002 700</b>	<b>-29 398 506</b>
(18 943 000)			(18 943 000)	-11 727 926
-			-	-
-			-	-
(10 507 000)			(10 507 000)	-9 552 456
<b>(29 450 000)</b>	<b>-</b>	<b>-</b>	<b>(29 450 000)</b>	<b>-21 280 382</b>

				-

Unauthori sed expenditu re	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
8	9	10	11

	(1 751 928)	88	(14)
	(8 181 611)	92	(9)
	573 544	389	382
	1 819	100	0
	(32 795 998)	39	(89)
-	<b>(42 154 174)</b>	<b>80</b>	<b>(23)</b>

	5 248 170	106	6
	1	100	0
	3 773 366	403	755
	0	100	0
	0	100	0
	464 379	101	1
	1	100	0
	0	100	0
	(18 238 884)	36	(69)
	<b>(8 752 968)</b>	<b>96</b>	<b>(4)</b>

-	<b>(33 401 206)</b>	<b>(16)</b>	<b>(18)</b>
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	-	100	-
	-	#DIV/0!	#DIV/0!
	-		

-	<b>(33 401 206)</b>	<b>(16)</b>	<b>(18)</b>
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	7 215 074	62	(38)
	-		
	-		
	954 544	91	(9)
-	<b>8 169 618</b>	<b>153</b>	<b>(47)</b>




R

Description  R thousand	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)
	1	2
<b>Revenue - Standard</b>		
<b><i>Governance and administration</i></b>		
Executive and council	45 351 968	2 119 392
Budget and treasury office	42 643 200	1 353 275
Corporate services	-	-
<b><i>Community and public safety</i></b>		
Community and social services	138 000	2 229
Sport and recreation	215 000	7 373 978
Public services	70 000	246 280
Housing	-	-
Health	-	-
<b><i>Economic and environmental services</i></b>		
Planning and development	1 067 000	-
Road transport	3 200 000	6 777 482
Environmental protection	-	-
<b><i>Trading services</i></b>		
Electricity	85 890 558	-844 684
Waste management	8 654 995	4 975 888
<b><i>Other</i></b>		
<b>Total Revenue - Standard</b>	<b>187 230 721</b>	<b>22 003 840</b>

**Expenditure - Standard**

<b><i>Governance and administration</i></b>		
Executive and council	42 068 567	8 410 715
Municipal Manager	10 765 548	1 000 491
Budget and treasury office	23 268 601	2 140 327
Corporate services	19 978 281	-3 134 120
<b><i>Community and public safety</i></b>		
Community and social services	6 652 890	-1 332 616
Park and recreation	4 697 561	3 660 578
Public services	9 161 770	276 646
Housing	55 000	684 384
Tourism	388 453	408 803
<b><i>Economic and environmental services</i></b>		
Planning and development	11 141 319	-2 797 500
Road transport	9 798 996	5 930 575
Environmental protection	-	-
<b><i>Trading services</i></b>		
Electricity	49 052 883	11 562 953
Waste management	10 141 152	192 604
<b><i>Other</i></b>		
<b>Total Expenditure - Standard</b>	<b>197 171 021</b>	<b>27 003 840</b>

<b>Surplus/(Deficit) for the year</b>	<b>-9 940 300</b>	<b>-5 000 000</b>
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Unaudited Annexure schedule

**APPENDIX E2**

**Reconciliation of Budgeted Financial Performance (revenue and expenditure by source)**

**2014/2015**

<b>Final adjustments budget</b>	<b>Shifting of funds (i.t.o. s31 of the MFMA)</b>	<b>Virement (i.t.o. Council approved policy)</b>	<b>Final Budget</b>	<b>Actual Outcome</b>
<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
47 471 360		-	47 471 360	22 326 015
43 996 475		-	43 996 475	43 996 475
-		-	-	-
140 229		-	140 229	103 285
7 588 978		-	7 588 978	738 495
316 280		-	316 280	316 280
-		-	-	-
-		-	-	-
1 067 000	-	-	1 067 000	1 067 000
9 977 482		-	9 977 482	8 037 691
-		-	-	-
85 045 874		-	85 045 874	78 561 470
13 630 883		-	13 630 883	11 933 676
209 234 561	-	-	209 234 561	167 080 387

50 479 282		2 650 696	53 129 978	53 129 967
11 766 039		-689 724	11 076 315	11 076 313
25 408 928		-3 081 272	22 327 656	7 644 619
16 844 161		-1 546 300	15 297 861	15 297 762
5 320 274		97 192	5 417 466	5 417 454
8 358 139		189 837	8 547 976	8 547 974
9 438 416		-3 129 494	6 308 922	6 308 916
739 384		-21 130	718 254	718 249
797 256		-41 289	755 967	755 966
8 343 819		70 000	8 413 819	8 413 819
15 729 571		1 279 860	17 009 431	17 009 428
-		-	-	-
60 615 836		3 381 209	63 997 045	63 997 045
10 333 756		840 415	11 174 171	11 174 171
224 174 861	-	-	224 174 861	209 491 683

<b>-14 940 300</b>	<b>-</b>	<b>-</b>	<b>-14 940 300</b>	<b>-42 411 296</b>
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standard classification)

Unauthorise d expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
8	9	10	11
	(25 145 345)	47	(55)
	0	100	0
	-	-	-
	-	-	-
	(36 944)	74	(27)
	(6 850 483)	10	(3 186)
	0	100	0
	-	-	-
	-	-	-
	-	-	-
	-	100	-
	(1 939 791)	81	(61)
	-	-	-
	-	-	-
	(6 484 404)	92	(8)
	(1 697 207)	88	(20)
-	(42 154 174)	80	(23)

	(11)	100	(0)
	(2)	100	(0)
	(14 683 037)	34	(63)
	(99)	100	(0)
	-	-	-
	(12)	100	(0)
	(2)	100	(0)
	(6)	100	(0)
	(5)	100	(0)
	(1)	100	(0)
	-	-	-
	0	100	0
	(3)	100	(0)
	-	-	-
	-	-	-
	0	100	0
	(0)	100	(0)
-	(14 683 178)	1 234	(63)

-	(27 470 996)	(1 154)	41
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